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NEWS SUMMARY

GENERAL

Clash looms on labour legislation

The Government and trade unions are bracing themselves for possible confrontation over labour legislation.

Keep-out order Iraq announced a military exclusion zone at the head of the Gulf...

Argentine protest Argentina's Foreign Minister, Juan Ramon Quiroga, said his government was protesting over incidents when Argentine fishing boats were intercepted by British forces near the Falklands.

Spain arrests Seven suspected Basque guerrillas were arrested by Spanish police in Tolosa, accused of bombings and robberies.

Terror find Irish police are questioning a man after the discovery of a terrorist training camp in County Donegal.

Crash kills boxer Salvador Sanchez, 23, the World Boxing Council featherweight champion was killed in a car crash near Mexico City.

Fonda dies Henry Fonda, 77, star of more than 70 films died of heart failure in Los Angeles.

Protestors jailed Five men who protested at last year's South African rugby tour of New Zealand have each been jailed for one year in Auckland for rioting.

Race appeal The Commission for Racial Equality is to appeal to the Lords over an Appeal Court ruling that Sikhs are not a racial group.

Nuclear move Britain's Atomic Energy Authority asked a Dutch court to stop the Greenpeace organisation impeding a British ship which is dumping nuclear waste in the Atlantic Ocean.

Asbestos call Villagers in Askern, South Yorkshire, are demanding the closure of a tip in the village where 35 tons of asbestos waste have been dumped.

Test score Pakistan made a good start in the Second Test at Lord's, scoring 296-3, Mohsin 159 not out.

Left to meet Far-left groups within the Labour Party are to hold a conference in September to protest at proposals to set up a register on non-affiliated groups within the movement.

Briefly... Earthquake, measuring four on the Japanese scale of seven, shook Tokyo.

BUSINESS

Gilts reach 3-year high



index closed 0.57 up at 73.55, the highest for nearly three years.

Equities drifted on June's poor industrial production figures.

HANG SENG index lost 100.31 to 966.26, its lowest for two years, mainly on worries about Hong Kong's long-term future.

WALL STREET was up 2.76 at 779.97 at mid-session.

DOLLAR eased in dull trading to Y263.25 (Y263.5), DM 2.5175 (DM 2.5275) and FF 7.005 (FF 7.0225).

STERLING was mixed, edging up to \$1.699, a gain of 30 points, and SwFr 3.67 (SwFr 3.66), but slipping to DM 4.28 (DM 4.29) and FF 11.9 (FF 11.905).

GOLD rose \$3 to \$335.5 an ounce in London.

HONDURAS is seeking to reschedule \$100m (\$58.9m) foreign debt repayments falling due in the next 12 months.

ICELAND'S central bank suspended foreign exchange trading and proposed an unspecified devaluation of the krona.

AIR CANADA plans to cut its 20,000 staff by 10 per cent and further reduce flights, president Claude Taylor said.

TRADE UNIONS are being asked to contribute £1.25m to set up a joint bank with the Co-operative Bank.

MOTOR components industry can expect a third round of redundancies within weeks, said stockbrokers Phillips and Drew.

HOGG ROBINSON, insurance brokers, disclosed a "golden handshake" of \$206,000 in its latest report and accounts.

ACCOUNTING Standards Committee announced a new team that includes non-accountants for the first time.

DEREK CROUCH (Contractors) won a \$25m 12-year Goal Board contract to operate a new open cast site in Northumberland.

MOBIL is buying exploration leases and a 50 per cent working interest in a Rocky Mountain oil field from Denver company Anschutz.

SMITH BROS. stockjobbers, reported a pre-tax loss of \$28,000 in the year to April 29 against profits of £1.9m.

WOOLWORTH U.S. retailer, reported a first-half net loss of \$26.1m (\$14.7m) compared with profits of \$18m (after special gains).

Lebanon suspends talks with U.S. after Israeli bombardment

LEBANON suspended talks with Mr Philip Habib, the U.S. special envoy, yesterday after some of the heaviest bombing and shelling Beirut has suffered since the Israeli siege began two months ago.

The President was particularly outraged by Israel's massive military action because Mr Habib's peace efforts were at the point of success.

Defence Minister and main political rival to Mr Begin, was severely criticised for ordering the attacks on Beirut without government approval.

Mr Chafiq al-Wazzan, Lebanon's prime minister, called off the talks after only an hour's discussion with Mr Habib, who has been trying to arrange the withdrawal of Palestinian guerrillas from west Beirut.

"I cannot carry on in these talks while these thousands of tons of explosives are wreaking mass destruction in my city, my capital. I did not break up the talks, but I told him I cannot carry on and I hold him as well

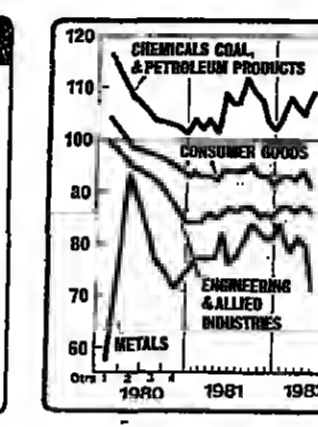
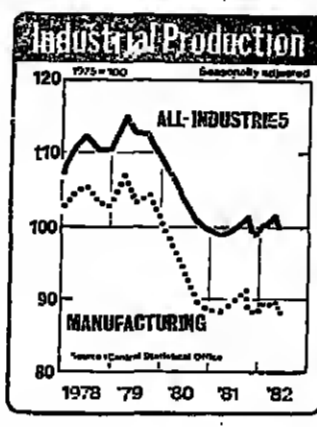
some 2,000 Syrian troops trapped with them, have departed. They also reject the suggestion that UN observers should enter the city.

Embassies in Beirut, Mr Begin told Parliament yesterday that the UN had an inbuilt anti-Israeli majority.

Industrial output falls to spring 1981 level

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S industrial output fell sharply in June according to official figures which appeared to support some of the warnings of a gloomy economic outlook issued by the Confederation of British Industry last week.



Banks sceptical after AEG aid request

BY KEVIN DONE IN ZURICH

AN EMERGENCY meeting of foreign banks caught up in the financial plight of AEG-Telefunken, the West German electrical group, ended in Zurich yesterday in a mood of uncertainty and scepticism at AEG's plea for them to support its salvage operation.

Foreign banks have outstanding loans to AEG's foreign subsidiaries of DM 1.5bn, Herr Heinz Durr, chief executive, said yesterday. The group had DM 35bn of bank debts in West Germany, he said.

Perkins soups up diesel interests

BY IAN RODGER

PERKINS ENGINES of the UK, one of the world's leading diesel engine makers, is attempting to break into the growing market for diesels in cars and light vans through a series of joint development ventures with car manufacturers.

Perkins—a subsidiary of the financially troubled Canadian farm equipment group Massey-Ferguson—yesterday confirmed a \$222m (£131m) venture with Chrysler of the U.S. to convert Chrysler's petrol engine factory at Windsor, Ontario, to light, high-speed diesel engine production by late 1984.

Tough penalties to combat tax evasion proposed by MPs

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

TOUGHER PENALTIES and more inspectors to curb tax evasion, estimated to be costing about £80m annually—about half last year's public sector borrowing requirement—are proposed by an all-party committee of MPs.

The Public Accounts Committee, in a report out yesterday, criticised efforts by the Treasury to limit, as part of the Government's campaign to reduce the number of civil servants, increases in the number of special investigators who root out tax and social security frauds.

Investigation work should be denied on the grounds that it would increase civil service numbers. The interests of taxpayers, they say, are equally served by the increase of revenue as by savings in expenditure.

Contents

Table with 3 columns: Page, Title, Page. Includes Kenya, British Shipbuilders, Commercial Law, VAT, Property column, etc.

Table with 3 columns: Page, Title, Page. Includes American News, Foreign Exchanges, Gold Markets, etc.

Table with 3 columns: Page, Title, Page. Includes Interim Statements, Annual Statements, etc.

Advertisement for Fuller Peiser Chartered Surveyors, listing services like Selling, Buying, Leasing, etc.

CHIEF PRICE CHANGES YESTERDAY

Table showing price changes for various commodities like Brent 19pc Crude, Funding 9pc 1993, etc.

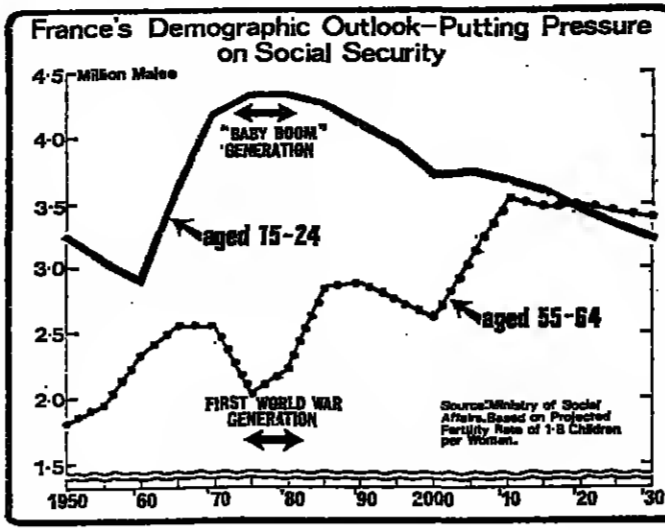
Table showing share index and other market data for August 11 and 12, 1982.

EUROPEAN NEWS

David Marsh, in Paris, assesses the monumental task facing M Pierre Berégovoy, the new Minister of Social Affairs

Growing deficit stretches fabric of French social security system

M. PIERRE BERÉGOVOY, President François Mitterrand's "Mr Fix-it" who was promoted to head the sprawling Ministry of Social Affairs in June...



The social security network and the unemployment insurance scheme, which are both administered in conjunction with the trade unions and employers...

Companies queue for Spanish textiles aid

SPAIN'S TEXTILE industry and responded quickly to a government-sponsored plan offering substantial financial incentives to modernise and raise productivity.

Early rebuff for Spadolini

ITALY'S GOVERNMENT crisis deepened yesterday, as the Socialists explicitly rejected a scheme by Sig Giovanni Spadolini, the Prime Minister-designate...

Bid to stop Mafia killings fails in Sicily

AN especially ferocious bout of Mafia killings in and around Palermo is presenting a severe challenge to Gen Carlo Alberto Dalla Chiesa...

Irish government battles over domestic oil supply

THE IRISH motorist—and, possibly, the Irish taxpayer—looks like being the eventual loser in a battle between the Government and the oil companies.

W. German current account in balance

THE WEST GERMAN current account closed in the first half of the year virtually in balance following the heavy deficits reported in the past three years.

Fewer take foreign holidays

FEWER PEOPLE took a foreign holiday last year, according to a report by the tourism committee of the Organisation for Economic Co-operation and Development.

Fresh crackdown on Solidarity

WARSAW — Poland's hardline army newspaper yesterday called for firmness in dealing with opponents, and the state media announced a fresh crackdown on the suspended Solidarity union.

Poles expected to suffer sharp fall in meat supply

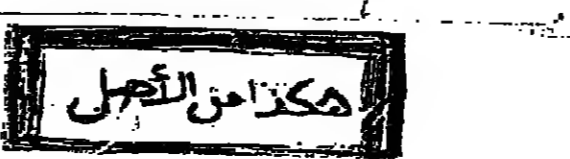
POLAND is expected to suffer a sharp decline in meat supplies later this year because the U.S. Government has halted loans for Polish purchases of fodder.

Rising unemployment rate causes concern in Austria

AUSTRIA'S unemployment rate has risen steeply to 2.4 per cent, compared to 1.2 per cent a year ago, though still one of the lowest in the world, the rising rate has caused increasing concern.

Private air project takes off

COMMERCIAL FLIGHTS have begun to a privately developed airport, at Seu d'Urgell on the border between Catalonia and Andorra, after more than a year of complex wrangling.



OVERSEAS NEWS

Iraq declares Gulf military exclusion zone

BY TERRY POVEY

IRAQ HAS announced a military exclusion zone at the head of the Gulf following the sinking of two commercial ships on Monday. The ships, one Greek-owned and the other South Korean, went down with the loss of at least one life close to the entrance to the Khor Moussa channel that serves the Iranian port of Bandar Khomeini.

almost two years, Iraq has insisted that it considered all shipping entering the northern Gulf area to be doing so at their own risk. The exclusion zone cuts more or less down the centre of the upper Gulf, running to within 40 miles of Kharg Island. In the past, Iraqi attacks on both ports and shipping destined for Iran have been sporadic.

David Dodwell in Brunei assesses the future of a Sultanate preserved from outside influences Oil-rich Brunei nervous as sun of British empire sets

TO ARRIVE in Bandar Seri Begawan as the sun sets over Kampong Ayer—the "water village," which stands on stilts midstream the wide Brunei river—is to come face to face with a community barely changed in four centuries.

provided by Britain for almost a century, and assume full independence. The Sultan has managed domestic and economic affairs independently for a decade, but foreign policy and defence still rest with the British Government. Impetus for change has come almost exclusively from Britain: independence is being pressed on the state, despite several visits to London by the Sultan and his father, who abdicated in 1967, to persuade Whitehall to change its mind.



Brunei's Sultan, Sir Minda Hassanal Bolkiah Muzaddin Waddaulah, playing polo—his favourite pastime

large in the memories of the state's leaders. Most important, British protection allowed the Sultan to preserve intact his conservative and introverted rule. But by now the Sultan's fears of full independence are probably more psychological than real. South-East Asia is no longer the turbulent region it was 20 years ago. Heavy domestic spending on defence (over 30 per cent of the budget) has allowed the build-up of an impressive military and police machine comprising the Royal Brunei Malay Regiment, the Sultan's personal 1,000-strong Gurkha security force, and a British Gurkha regiment "on loan" from Hong Kong. The British Gurkha regiment is likely to stay on beyond the end of 1983, though detailed negotiations have yet to start.

would have been impossible without oil and gas. Since discovery of oil onshore at Seria in 1929, Brunei has been able to buy its insularity. More recent discoveries in the S.W. Ampa field and the Champion field, guarantee supplies close to the end of the century. Oil and gas account for 99.9 per cent of export earnings, which last year amounted to about B\$9bn (£2.56bn). With imports costing just B\$1.5bn, the visible trade surplus was about B\$7.7bn. Government reserves stand at more than B\$25bn, covering 20 years' worth of imports.

Oil wealth has stunted the growth of any manufacturing industry, which is all very well—until the oil runs out. The offer of attractive "perks" to government employees has led to the creation of a burgeoning bureaucracy and an impoverished private sector. Perhaps the biggest worry as independence approaches is the fate of Brunei's 60,000 ethnic Chinese. Apart from making up almost a quarter of the population, the Chinese monopolise the small and medium-sized business sector. Often a target of resentment among the Muslim majority, they nevertheless perform a critical role in the domestic economy. Whether the Chinese will be allowed citizenship in newly independent Brunei is far from certain.

Mubarak reiterates need for comprehensive solution

BY OUR CAIRO CORRESPONDENT

EGYPT INSISTS that its acceptance of any Palesline Liberation Organisation guerrillas evacuated from Beirut must be linked to a comprehensive settlement of the Middle East problem. President Hosni Mubarak has reiterated. He was speaking in Khartoum on his way home to Cairo after a visit to Oman and Sudan, two of the three Arab countries which still have relations with Egypt.

He will also have had the opportunity to hear what the other Arab states think of his diplomacy over the Beirut crisis. The departure of the PLO from Beirut may save Beirut, he said, but would not save the PLO or the Palestinian cause. He was anxious to avoid scattering the PLO too widely. Now that seven Arab countries have agreed to take PLO guerrillas without conditions, Egypt may avoid having to take any potentially troublesome evacuees.

Lebanon's flag airline is still in business

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MIDDLE EAST Airlines, the flag airline of the Lebanon which has survived more crises than any other, is still in business, despite the closure of Beirut airport by the Israeli invasion. MEA, which has been conducting charter and leasing operations in recent weeks, has now agreed arrangements with the Cyprus Government to fly scheduled services to and from Larnaca Airport in Cyprus. These will comprise a once-weekly service Larnaca-Geneva-Nice and return. In addition, there will be a once-weekly Damascus-Larnaca-Kano-Lagos-Abidjan, and the airlines is also running a twice-weekly service between Jeddah, Khartoum and Aden. The Larnaca services will connect with sea ferry services linking Cyprus with the port of Jounieh, north of Beirut. MEA

will book its passengers into Cyprus hotels, and arrange the ferry reservations. The airline has set up an emergency headquarters in Paris, where operations, engineering, marketing and public relations departments are all functioning. Charter and leasing activities for other airlines are being undertaken in Europe, the Far East and South America. The airline's head office in Beirut, however, is still open, having been transferred to branch sales offices in safer parts of the city, thus ensuring that communications with the outside world are maintained. The airline says that it is ready to resume flights to Beirut and across the network, once the fighting in Beirut is over and the airport is open, even on a makeshift basis.

S. Africa to streamline industrial disputes law

BY BERNARD SIMON IN JOHANNESBURG

LEGISLATION aimed at streamlining the handling of industrial disputes in South Africa is to be introduced in Parliament next year. Mr Fanie Botha, Minister of Manpower, said yesterday. Full details of a draft amendment to the Labour Relations Act will be published later this week. The proposals appear to stem directly from a spate of illegal strikes by black workers in which existing conciliation machinery has been ineffective. Twenty-five such work stoppages were reported last month alone. According to the National Manpower Commission, here were 342 strikes last year involving 63,000 workers. All were illegal.

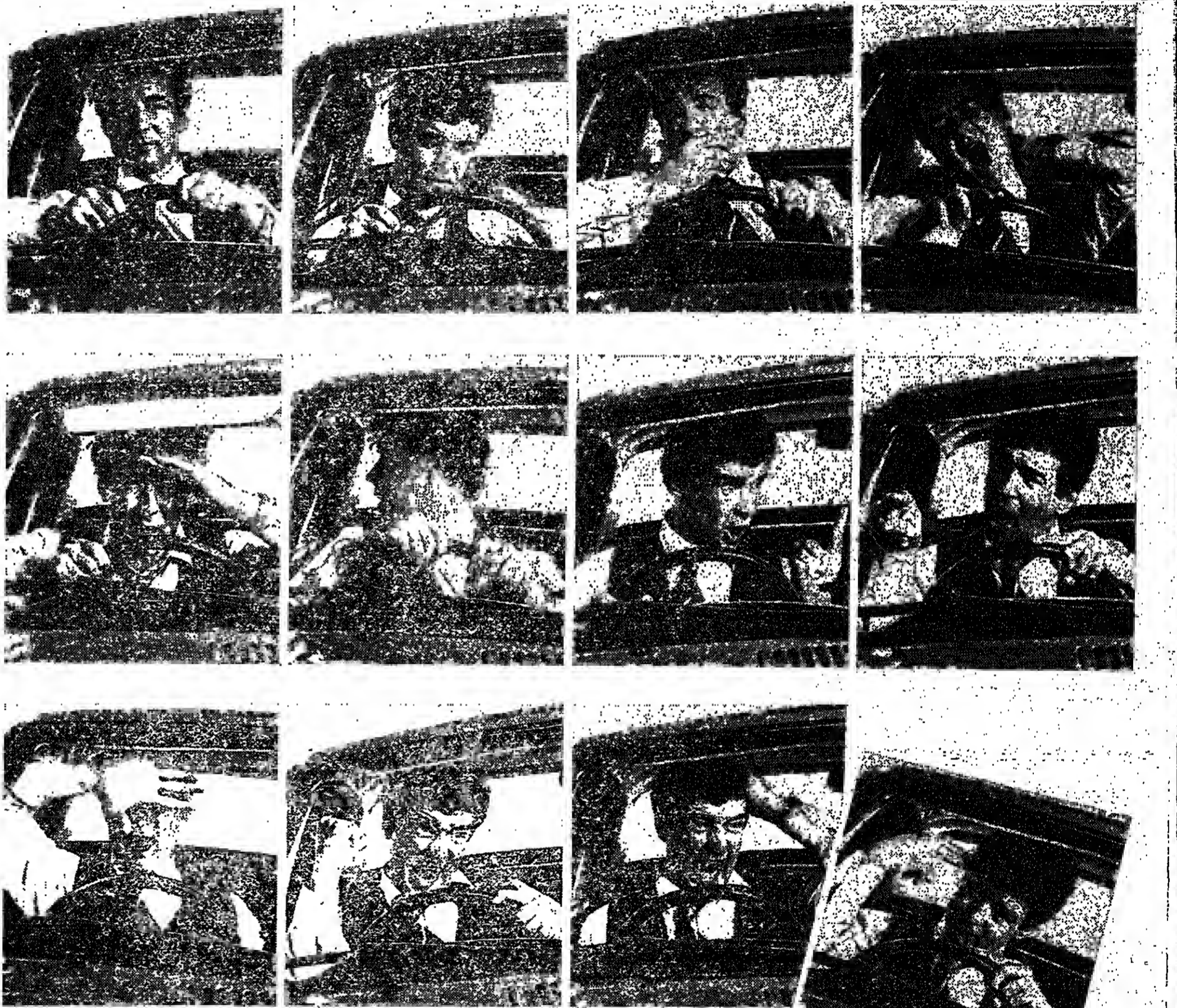
Mr Botha said the new legislation will give unregistered black trade unions access to official negotiating machinery, provided they represent more than half the number of workers in an industry and comply with various other conditions. The amendments also aim to speed the conciliation process. At present, it takes at least a month, and usually much longer, before legal conciliation procedures are exhausted and workers may call a legal strike. In terms of the proposed amendments, the Minister of Manpower will be able to set up a conciliation board at any time if he considers it to be in the national interest.

Australia's jobless rate highest since 1930s

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BELIEF THAT next week's Federal Australian budget will adopt an expansionary tack was boosted yesterday when news that the number of unemployed that the month stood at 448,900, or 6.5 per cent of the workforce. Seasonally adjusted, the unemployment rate was 6.9 per cent. This is the highest rate of unemployment seen in Australia since the 1930s, and provoked strong criticism by the Labor Party opposition. Mr Bob Hawke, Labor's spokesman on employment, said policies of Mr Malcolm

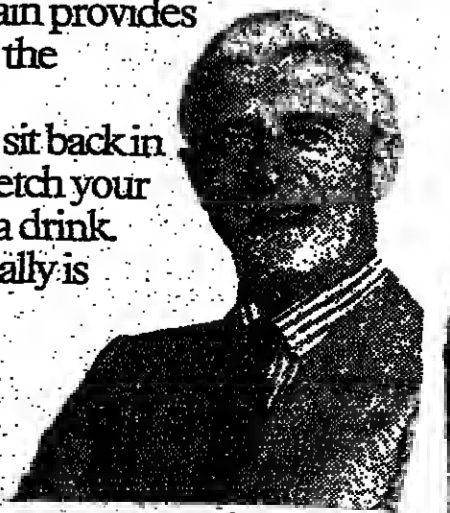
Fraser's Liberal-National Party coalition Government must be held "largely responsible" for the present unemployment trends. The July unemployment figure of 6.5 per cent represented an increase of 74,000, or 20 per cent, over July 1981, and confirmed the worsening trend so far this year. In its budget next Tuesday, the Government is widely expected to relax its tight fiscal policies, cut taxes, and outline other measures designed to re-stimulate the economy.



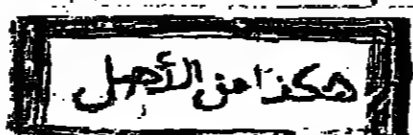
...and you've got all this to look forward to after the meeting too.

Exaggerated? If you could just see yourself driving to a business meeting when there's a deadline to meet, you wouldn't think so. It's not only the sheer frustration of driving. There's the appalling waste of time it entails. You can't work in the car, you can't eat properly and you can't relax; sometimes you can't even think. By contrast, Inter-City trains (most of which are air-conditioned) insulate you from

the petty irritations of the outside world. There are no phone calls and no interruptions. In fact, in many respects, the train provides a better working environment than the real office. And after the meeting you can sit back in an ergonomically designed seat, stretch your legs and perhaps enjoy a meal and a drink. At the end of a long day, that really is something to look forward to.



This is the age of the train



AMERICAN NEWS

Senate demands curbs on Cuban 'expansionism'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. SENATE has rattled a heavy sabre at Havana, with a call for the use of all means necessary, including arms, to contain Cuban expansionism in Latin America.

Shultz, the State Secretary, had assured him of administration support for the resolution. "It's time America started acting like America," he added.

Some moderate Republicans, however, were uneasy about the vote, which will further complicate efforts to agree on a new \$5.9bn (€5bn) supplementary appropriations bill for fiscal 1983 in a House-Senate conference committee.

Argentina condemns Britain over trawlers

By Jimmy Burns in Buenos Aires

THE ARGENTINES moved swiftly yesterday to make a major diplomatic issue out of the incidents in which British warships intercepted Argentine fishing vessels near the Falkland Islands over the past week.

Jimmy Burns returns from visiting Argentina's poor north west Tourist boom in forgotten Tilcara

THE MECHANICAL strains of the Swedish singing group Abba cracked through the loud-speakers as tourists from Buenos Aires canvassed the crafts market in Tilcara, a village in the north west of Argentina, in search of their latest investment against inflation.



Local Easter pilgrims climb the Humahuaca Gorge in the Andes near Tilcara—a region rediscovered by the "portenos" from sophisticated Buenos Aires.

THE regional problem is the subject of a book currently topping charts written by Sr Felix Luna, one of Argentina's leading historians. It recommends decentralisation as an important contribution to solving Argentina's seemingly intractable political and economic ills.

Just two years ago the same tourists bought up dollars with their overvalued currency and went on a spending spree all the way from Miami to Madrid. Now the portenos—as the people from the capital are called—have watched the peso take a nosedive and are being forced to discover parts of their country they had forgotten existed.

Argentina currently exports 400,000 tonnes of sugar a year. The country's traditional foreign exchange problems and the tendency of world sugar prices to fluctuate have, however, created serious social problems in the region.

Argentina's 130-year-old constitution defines the country as a federalist state, but the north west shows it to be one of the most blatantly centralised in South America.

Current political tension is focused on other more immediate matters such as the aftermath of the Falklands war. However, it is significant that

El Lilly plans inquiry into arthritis drug

By Our New York Staff

ELI LILLY, the U.S. pharmaceutical company that recently pulled its ibuprofen (Orfen) arthritis drug off the market after it was linked to fatalities in the UK, has convened a panel of experts next month to look into the evidence.

Honduras seeks \$100m of debt rescheduling

By ALAN FRIEDMAN

THE GOVERNMENT of Honduras, hard pressed for cash, is seeking to reschedule \$100m of foreign debt repayments which fall due within the next 12 months.

rescheduled the Honduras would be able to meet its international obligations in future. Bankers from the UK and the U.S. have recently visited Tegucigalpa to discuss the Honduras debt problems.

WORLD TRADE NEWS

U.S. STEEL DUTY DEADLINES

Further series of decisions will be made shortly

By PAUL CHESSERIGHT, WORLD TRADE EDITOR

THE U.S. Department of Commerce over the next few weeks will make a further series of preliminary and final decisions about the imposition of duties on foreign steel supplies to the U.S. market.

Table with columns for Country, Product, and Deadline. Includes entries for Spain, South Africa, South Korea, France, West Germany, Brazil, Belgium, Argentina, South Africa, France, Japan, UK, West Germany, Canada, and Venezuela.

Hercules complaint to be investigated

WILMINGTON—Hercules said the U.S. International Trade Commission has determined that the company's anti-dumping complaint against nitrocellulose imported from France merits further investigation.

experienced lost sales, pressure on prices, underemployment and reduced production as a result of the alleged dumping.

Japan and Canada in car imports agreement

By Richard C. Hanson in Tokyo

JAPAN and Canada have reached an agreement on settling a dispute over Japanese car imports, including a new forecast for shipments for the rest of this year and the start next month of government-level motor industry co-operation talks.

Norway free to seek Soviet offshore orders

By FAY GIJSTER IN OSLO

NORWAY'S OFFSHORE fabricating industry is free to seek Soviet orders for equipment and know-how for oil and gas exploration—and eventual production—in the Soviet sector of the Barents Sea.

After recent cabinet discussions, however, it was decided that neither factor justified barring Norwegian offshore related industry from a potentially profitable business.

But Norway has informed the U.S. State Department that any deals Norwegian companies conclude with the Soviet Union will still be consistent with Norwegian promises to observe the ban

on high technology exports to this market. The Soviet Union reportedly began exploration drilling in its part of the Barents Sea three months ago, using the first of three drill ships built for it by the Finnish company Repola yard.

U.S. jobs 'linked to exports'

By PAUL TAYLOR IN NEW YORK

U.S. MANUFACTURING industry is becoming increasingly dependent on exports for its growth, according to a report published yesterday by the independent Conference Board.

The New York-based research organisation says that almost four out of every five manufacturing jobs created in the U.S. between 1977 and 1980 were linked to exports.

California leads the league in manufacturing employment with 2m jobs followed by New York which has 1.6m manufacturing jobs, Pennsylvania with 1.3m, Ohio with 1.2m, Illinois with 1.1m and Texas with 1m.

Saudi pledge on price of LPG

SAUDI ARABIA has told its customers for Liquefied Petroleum Gas—propane and butane—that it does not intend to raise the price for it in line with Arab oil crude.

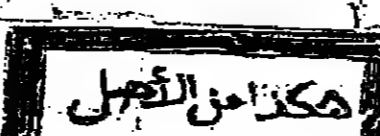
Move soon on Venezuela plants

By ROBERT GRAHAM IN MADRID

A FRESH attempt is to be made later this month to decide the fate of a paralysed commercial vehicle engine plant and a commercial vehicle assembly plant built in Venezuela by the Spanish state concern, Enasa.

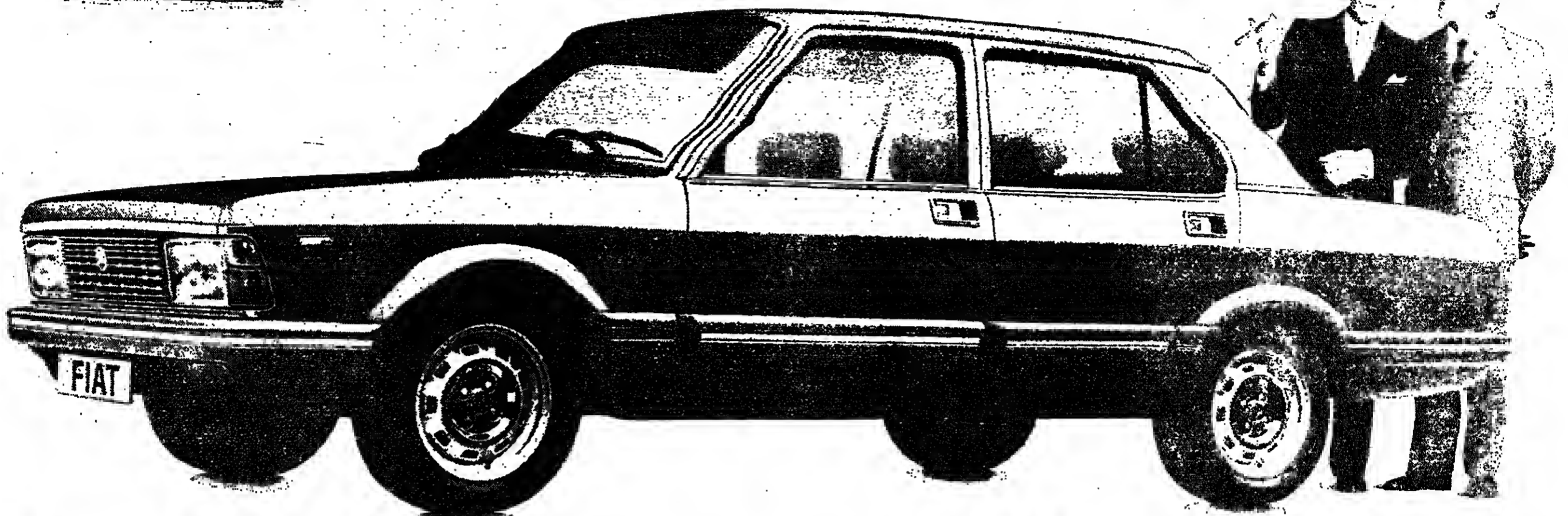
The project to build an engine plant and a truck assembly plant emerged in 1977 following a visit by King Juan Carlos to Venezuela.

Enasa had invested Pts 4.8bn in the engine plant and Pts 1.2bn in the truck assembly, having taken a 49 per cent stake in the former in partnership with the Venezuelan military holding company, Cavim, and a 49 per cent stake with Venezuelan motor concessionaries in the latter.

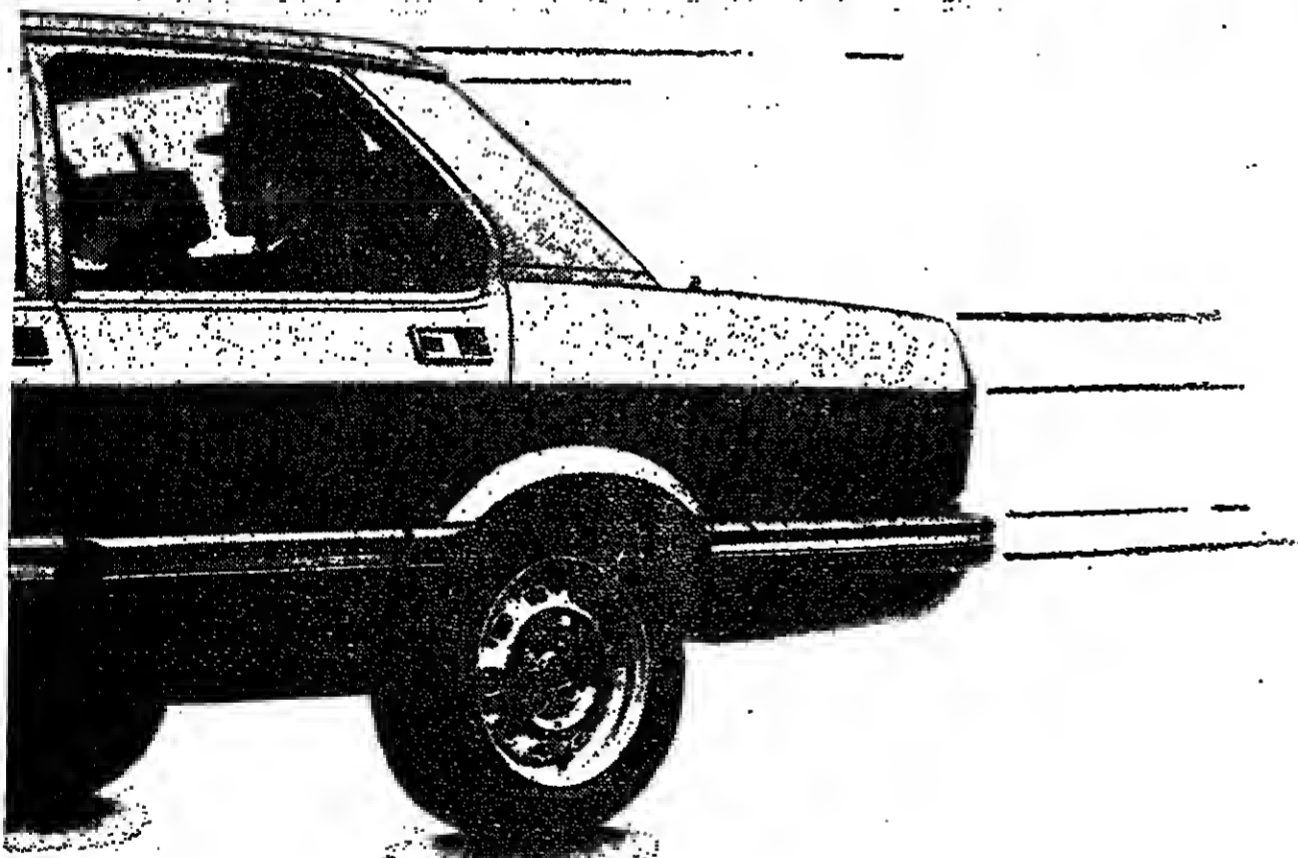


Say hello to the new Fiat two-litre.

سكنا من الال



Introduce your chauffeur to back-seat driving.



We have long been famous for building cars that are enjoyable to drive.

The new two litre Fiat Argenta is no exception.

It offers a combination of smoothness and spriteliness that you won't want to waste on the chauffeur.

One reason is the responsive 113 bhp twin overhead camshaft engine.

Another is the precise five speed gearbox. (A three speed automatic is available as an option.)

The Argenta will nip up to 60 in 11.6 seconds and has a top speed of 105 mph.

Our cars' handling is another feature you will want to experience first

hand. The Argenta is a joy to put through corners.

Thanks in part to the low profile P6 tyres and wide sports wheels.

Mind you, the chauffeur need not feel left out. The back seat is an ideal spot to appreciate the opulence of the new Fiat Argenta.

The classic Italian lines, the fine velour upholstery, the thick carpeting that lies underfoot.

But the rear seat is no place to fully appreciate our car's level of equipment.

Power assisted steering on an adjustable steering column, electrically operated front windows, central locking and

metallic paint. They are all standard equipment.

No matter where you sit, you can't fail to wonder at the cost of our new car. It has a retail price of just £6,345.

A figure that includes one year's free motoring membership of the RAC. And a six year anti-corrosion warranty.

In addition, according to no less an authority than Her Majesty's Government, it will return 36.7 mpg at a constant 56 mph.

Argenta is Italian for silver, but clearly this new Fiat is worth its weight in gold.

The new Argenta £6,345.

Fiat Auto. The best selling cars in Europe. **FIAT**

PRICES AND SPECIFICATIONS CORRECT AT TIME OF GOING TO PRESS AND INCLUDE FRONT SEAT BELTS, CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA. PERFORMANCE FIGURES SOURCE FIAT SpA. THE CRYLA-GARD ANTI-CORROSION WARRANTY COVERS ALL MAJOR PARTS, AND IS SUBJECT TO ANNUAL INSPECTION BY THE DEALER, PAID FOR BY THE OWNER. ARGENTA FUEL CONSUMPTION (MANUAL VERSION): URBAN CYCLE 22.1 MPG (12.8 LITRES/100 KM), CONSTANT 56 MPH 36.7 MPG (7.7 LITRES/100 KM), CONSTANT 75 MPH 23.0 MPG (10.1 LITRES/100 KM). FOR FURTHER DETAILS CONTACT CHRISTOPHER SHELLY, FIAT INFORMATION SERVICE, P.O. BOX 39, WINDSOR, BERKS.

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UK NEWS

Sei Cu

Government condemns Shore's economic plan

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT yesterday dismissed the expansionary proposals of Mr Peter Shore, the Shadow Chancellor, as "confused and flawed."

Mr Leon Brittan, Chief Secretary to the Treasury, attacked the higher public spending plans put forward by Mr Shore on Tuesday as being incoherent and misguided.

Rapid increase in N. Sea drilling

BY RAY DAFTER, ENERGY EDITOR

OIL INDUSTRY exploration activity in the UK sector of the North Sea has risen dramatically to a near-record level, according to industry statistics published today.

Drilling has been boosted by companies eager to assess new licence areas issued in the seventh round of allocations last year.

Highlands development board under fire

By Anthony Moreton, Regional Affairs Editor

THE Highlands and Islands Development Board has been severely criticised by the Public Accounts Committee of MPs for its lack of financial control over a scheme to bring work to Braemar on the island of Lewis in the Outer Hebrides.

MPs urge change in oil taxation system

BY OUR ENERGY EDITOR

THE Government has been urged to consider proposals to scrap the North Sea oil tax structure and replace it with a simpler, profit-based system.

would be unpopular with oil companies as it would be disruptive to plans based on the existing tax system and would leave the industry with a rate of return more akin to public utilities.

SDP urges health service reform

BY OUR POLITICAL EDITOR

THE no-strike commitment of the nursing profession should be extended throughout the health service, argues the latest in a series of consultative green papers from the Social Democratic Party.

The document urges more emphasis on prevention and promotion of alcohol and tobacco products which be brought under the Medicines Act, to give the Government more say on composition and content of labelling and advertising.

Tax investigators save £173m

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A TOTAL of 11,660 civil servants were employed last year to investigate tax evasion and social security frauds, according to a House of Commons report.

Tax departments criticised over collection delays

By Max Wilkinson

THE Public Accounts Committee has criticised the Inland Revenue and the Customs and Excise Departments for their slowness in collecting tax revenue last year's civil servants' strike.

Labour left to hold conference

By Our Political Editor

FAR LEFT groups within the Labour Party are organising a major conference in mid-September to protest against the proposal to set up a register of approved organisations within the movement.

SDLP executive faces Assembly vote protest

BY OUR DUBLIN CORRESPONDENT

THERE are likely to be heated exchanges at Saturday's meeting of the executive of the Social Democratic and Labour Party, the major party representing Northern Ireland Catholics.

Offices plan for Whitehall site unveiled

By William Cochrane

DEVELOPMENT of a key Whitehall site in three stages would provide offices for 650 civil servants and up to 100 members of parliament, Mr Michael Heseltine, Environment Secretary, said yesterday.

Britain falls in cost-of-living league

BY JAMES McDONALD

THE cost of living in Britain is now lower than many other countries, due to the weaker pound and falling inflation, according to a study by Inbucon, the management consultants.

New managing director appointed by Guinness Peat

By Our Banking Correspondent

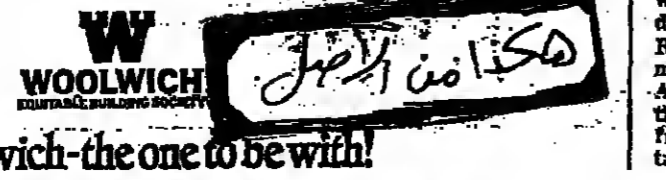
MR MARK HOFFMAN, the former chief financial officer of Canada's George Weston group, has been appointed a managing director of the troubled Guinness Peat group, the commodities to banking concern which is expected to announce a pre-tax loss of over £20m for 1981/82 later this month.

New interest rates - with the Woolwich

The following rates of interest will apply to Investors' accounts from 1st September 1982 until further notice

Table with 2 columns: Rates paid per annum, Gross equivalent with income tax at 30%. Rows include Share Accounts (7.75% to 11.07%), Premium Interest Shares (9.25% to 13.21%), Higher Interest Shares (8.75% to 12.50%), Savings Plan Accounts (9.00% to 12.86%), Monthly Income Shares (7.75% to 11.07%), Deposit Accounts (7.50% to 10.71%).

Mortgages: Interest on new mortgages and existing mortgages with account numbers commencing 91, 94 and 96 will be reduced by 1.5% on 1st September 1982.



Life insurance trade warns of foreign pitfalls

BY ERIC SPURT

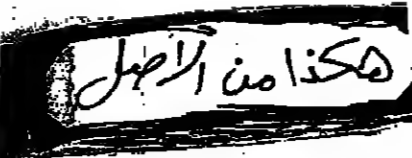
THE two trade associations for life insurance yesterday warned of the dangers of investment policies from overseas companies not registered in the UK.

Technology group sells Logica shares

By Jason Crisp

THE British Technology Group has sold its shares in Logica, one of Britain's leading computer systems houses, for £3.6m.

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Dan Air to buy two BAe 146s in £15m deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

DAN-AIR is planning to buy two of British Aerospace's BAe 146 four-engine, short-range jet airliners, worth about £15m including spares, with an option on a further undisclosed number of aircraft.

The independent airline has reached a preliminary agreement with British Aerospace, and detailed contract negotiations are in progress. The first aircraft is expected to be delivered early next year.

Dan-Air will be buying the Series 100 version, which seats about 88 passengers, for use on its European scheduled service network, including on the recently awarded route to Bern and Zurich, and on some inclusive tour holiday flights.

The deal will bring to 12 the number of BAe 146s ordered to date, with at least another 12 on option. Four aircraft are flying in a test programme, with over 800 hours of air time logged so far, to win a certificate of airworthiness by the end of the year.

British Aerospace is investing over £350m in production, which is expected to reach three aircraft a month by next year.

Further contracts for BAe 146s are under negotiation both at home and overseas—one interested airline is British Air Ferries—and more orders are likely to be announced soon.

The aircraft is to make its public debut at the Farnborough air show in early September. Later this year it is expected to make a major overseas sales tour to Middle East, Far East, South East Asia and Australasia.

Post Office to spend £22m on vehicles

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE Post Office will buy 5,000 vehicles worth £22m during this financial year, Mr Peter Smith, chief motor transport officer, said yesterday.

All the major UK-based manufacturers can expect some of the business. Ford, Vauxhall, BL's Freight Rover subsidiary and Karrier Motors (jointly owned by Talbot and Renault of France) have already won orders.

The Post Office's biggest order so far this year was for 1,200 Italmarina vans from BL's Rover offshoot.

Also on order are 20 32-tonne Leyland Roadtracs, the Post Office fleet's heavyweights which will take the Roadtrain total to 50.

Experiments with electric vehicles are continuing. Trials with Bedford electric vans are well ahead and the Post Office fleet will shortly take on two BL Freight Rover Sherpas powered by the Lucas-Chloride system.

Mr Smith's comments came a day after it emerged that the biggest ever order placed in Britain for light vans—for 8,500 worth about £10m—had been awarded by British Telecom to Freight Rover.

There was intense competition between all the major UK manufacturers for the deal.

BT plans to order about 2,500 new vans a year. It has stressed they will not necessarily all go to the same manufacturer.

BL subsidiary warns of 181 job losses

LEYLAND VEHICLES, the BL subsidiary, yesterday told unions it would need 181 compulsory redundancies at its Bathgate, West Lothian, engines plant if it was to meet its job-cuts target of 1,565.

The company's rationalisation programme, which led to a protracted dispute earlier this year, at first meant losing 1,365 jobs out of the previous total of 5,600. As a result of the strike another 200 jobs were cut because the JCB construction equipment group withdrew from a contract.

Yesterday Leyland said that, in spite of previous assurances, it could not rule out the need for still further redundancies. It was indicated to the unions that this might involve a further 200 jobs.

Car industry job losses predicted

A THIRD round of major redundancies in the UK motor components industry can be expected in the coming weeks, according to stockbrokers Phillips and Drew.

In the past month Automotive Products has called for 900 redundancies and Lucas CAV shut down one plant and is to reduce employment at another, losing 950 jobs.

The brokers, in their latest Engineering and Motor Review, suggest there is more to come.

Partner Mr Bill Seward hints that job cuts might be needed within Lucas's motor components business, at Associated Engineering, Armstrong Equipment and Jonas Woodhead, among others.

"In recent weeks we have become much more cautious about the extent to which motor component companies' profits will recover in 1982," says Mr Seward. "This downward revision is disappointing since there was reason to hope for some benefits from 1981's major cost-saving programme."

Mr Seward says the component companies are being squeezed by poor demand for both equipment for new vehicles and replacement items, and by motor manufacturers seeking the lowest possible prices to narrow the sales price gap between the UK and the Continent.

In one recent case a supplier was forced to halve the price for a key component.

All this has put intense pressure on component suppliers' profit margins. Mr Seward forecasts that car production in Britain this year will fall from 952,000 to 801,000 in spite of an expected improvement by British Leyland from 413,000 to 428,000.

Van output is predicted to improve, from 158,000 to 184,000, while production of trucks and artics might go up from 58,000 to 66,000.

"We do not expect 1983 to see any worthwhile increase in car production, though commercial vehicle output—particularly at the heavier end—could edge higher."

Alfa Romeo UK reports £7.3m loss for 1981

ALFA ROMEO'S UK subsidiary suffered a £7.3m operating loss for 1981 but expects to reduce it to £3m this year and to break even in 1983.

Last year's loss was largely the result of the £4m-£5m cost of financing new headquarters in north London with funds raised entirely in the UK.

The company said a further significant factor was the need to spend heavily "in re-establishing the Alfa Romeo image in Britain."

According to Campaign magazine, Alfa spent more than £2m on advertising last year, equivalent to £251 for each car registered in Britain. (Ford's expenditure was £24 a car and Austin Rover's £40.)

In 1981 Alfa's sales slumped to only 8,030 cars compared with 10,219 the previous year and around 13,000 in the peak 1978-79 period.

This year the new management team under ex-Jaguar executive Mr Bob Berry aims to push sales back to 10,000.

Fuel charge card planned

A FUEL CHARGE CARD is being launched by the Motor Agents' Association, which has 15,000 members, of whom 9,000 sell petrol.

The association has linked with the Bristol-based computer concern, DATEMA, a subsidiary of Axel Johnson, the Swedish conglomerate which operates filling stations in Scandinavia for the scheme. Barclays Bank is providing the funds.

Two benefits in particular are claimed for the scheme. A low rate of commission will be charged—1 per cent compared with 2 per cent for Barclaycard and 2 to 2.9 per cent for Access—and the card will be restricted to the buying of fuel, and thus less open to abuse than a general credit card.

"The fuel card scheme is designed to give both large and small businesses a low-cost, credit method of buying petrol, diesel or lubricants," said the association yesterday.

Companies will be invoiced only once a month and the card fee could be as low as £2.50 a year, depending on the number taken up. An individual card would cost about £6 a year.

The association is working on a project to provide a further card for services and repairs.

Steel output declines in July

Financial Times Reporter

STEEL PRODUCTION in Britain averaged 224,200 tonnes per week in July, the lowest output level since December 1980.

The production rate was 20.1 per cent lower than in June and 21.3 per cent below the July 1981 level.

The main reason for the decline was that many mills brought forward annual holidays from August to July. This, in turn, reflected the continuing low level of order intake that has been felt since March, particularly at works making commercial steel products for re-rolling.

Output in the first seven months of 1982 averaged 229,300 tonnes per week, 2 per cent ahead of the level in the corresponding period of 1981. However, the rate of advance has been falling as the year progresses.

The British Steel Corporation has awarded Otto-Simon Carves a contract worth about £33m to rebuild the coke ovens at its Redcar works.

Site work will begin in September with refractory construction beginning early in 1983.

The plant, consisting of two batteries each of 66 coke ovens, including facilities for handling and charging of coal, is to be operational early in 1984.

From optimism to despair on the job-hunt

Arthur Smith looks at life on the dole in Birmingham

MR LEN KINGSCOTT was not despondent when, in May 1980 at the age of 50, he lost his job as a production controller. His Smethwick foundry was one of a number closed by British Qualcast as part of a rationalisation programme in the wake of the rapid decline of the vehicle industry.

After 2 years with the company he picked up about £3,000 redundancy money and joined the unemployed for the first time in his life. "I thought I was landed. The money was welcome and it would not take long to get another job."

He considered himself lucky. He had paid the mortgage on his pleasant semi-detached house in a Birmingham suburb. His wife had a part-time job and his teenage daughter, Cheryl, was coming up to school-leaving age.

"I joined the professional and executive register and went on a two-week course to learn about interview techniques and how to prepare job applica-

tions." A slight, retiring man, he smiles: "I was all good stuff. I only had to go away and do what I had to do."

"I started buying three or four newspapers to go through the job ads. I was sending off applications—around eight in 10 a day."

After several weeks he began to worry. "I wasn't even getting any replies. I was just sitting around waiting for something to happen."

In desperation he made phone calls to chase the applications: "I usually ooly managed to get through to a girl. Then I was generally asked my age and I realised how much it went against me."

His spirits lifted when he went on a 10-week management development course at Worcester. "It was great to get back into a routine—to have a purpose, a reason for getting up in the morning."

West Midlands: REGION IN RECESSION

He enjoyed the companionship of managers in a similar position: "But there was one man who was particularly withdrawn, and apparently under stress. We eventually dragged out of him that he had been unemployed for seven months and had not told his wife. He left home at the normal time in the morning wandered round the shops and streets to return home as usual."

For Mr Kingscott the management course provided merely a diversion. "I still couldn't get a job. The weeks dragged by and I got more and more depressed. I didn't want to get up in the morning. I couldn't settle to do anything, not even watch television."

After 12 months he took a job at less than £3,000 a year selling screws and fixings for the building trade. "If there is one thing I am not it is a sales rep, but anything is better than being on the dole."

Another factor pushing Mr Kingscott to take any work available was that, with more than £2,000 savings, he was not eligible for social security payments once his 12 months of unemployment benefit expired.

The sales job did not last. "I was selling in a depressed part of Birmingham and I never hit a target sufficient to earn any commission. They were fair and gave me 11 months' run before I was dismissed."

Unemployed now since April, Mr Kingscott is resigned to the fact that, with the contraction of West Midlands industry, he may never work again. "The only way I shall do it is to come up with a business idea of my own."

The prospect of such a venture has been raised from work done with other unemployed executives meeting at the Birmingham Settlement, a local charity. Seven men with backgrounds from engineering to marketing but with a common passion for gardening have developed a range of horticultural products. Their aim is to form a worker co-operative.

Meanwhile Mr Kingscott manages on his £32.50 a week unemployment benefit and 80p allowance for his daughter. She now hopes in train as a laboratory technician.

But what are the prospects for her finding a job? Might she not suffer a similar plight of unemployment? He smiles uncertainly: "Let's hope in two years' time it will be a bit different from what it is now."

National Coal Board awards opencast contract worth £35m

BY JAMES McDONALD

A 12-YEAR contract worth £35m has been won by Derek Crouch (Contractors) from the National Coal Board Opencast Executive to operate a new opencast site at East Chevington, Northumberland.

The contract involves extracting 34m tonnes of coal from the 260-hectare site over 10 years, with the final two years of the contract to be spent in restoring the land for farming.

More than 100 jobs will be created by the contract. The peak of employment will be reached by next autumn.

Machines will move in this month to open up the site and the first coal will be brought out in the autumn. Production will build up over the following 12 months to an annual rate of 400,000 tonnes. Most of the coal will go to power stations.

The coal lies in six main seams, ranging in thickness from half a metre to 14 metres, at depths of up to 90 metres.

The contract will be mainly a dragline operation and the NCB Opencast Executive will supply a Ransome and Rapier 200W machine with a 36 cubic yard bucket. The machine will have an unusually long boom of 314ft.

Work on the dragline, which will be built on site, will start in October and finish late next year. Ruston Bucyrus 185B face shovels and 85-ton capacity Caterpillar 777 dumptrucks will also be used.

Derek Crouch says the mining and restoration will cure subsidence caused by deep mining in the past of two of the seams under the area.

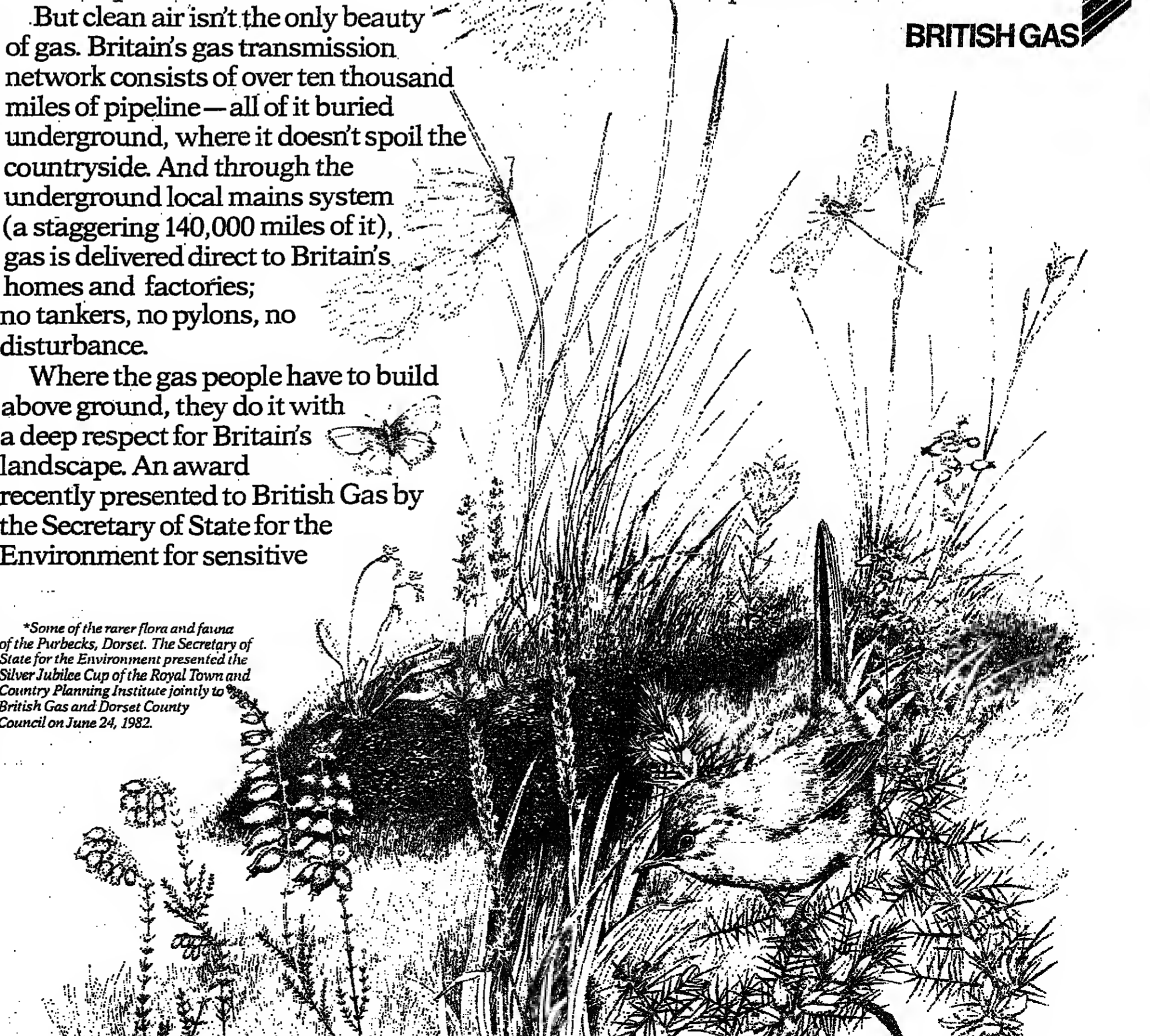
Beautiful Gas!

The increasing popularity of gas is not only good news for our customers—it's good news for the environment, too. Because gas is the cleanest of fuels to burn. With gas now supplying over fifty-five percent of all the heat used in British homes and almost a third of all the heat used by British industry, this is important to all of us.

But clean air isn't the only beauty of gas. Britain's gas transmission network consists of over ten thousand miles of pipeline—all of it buried underground, where it doesn't spoil the countryside. And through the underground local mains system (a staggering 140,000 miles of it), gas is delivered direct to Britain's homes and factories; no tankers, no pylons, no disturbance.

Where the gas people have to build above ground, they do it with a deep respect for Britain's landscape. An award recently presented to British Gas by the Secretary of State for the Environment for sensitive development in Dorset* is only the latest in a long series of tributes recognising the concern for our surroundings shown by British Gas.

So, when you think of the beauty of gas, don't just think of Britain's favourite clean, controllable, economical fuel; remember too the 'carefuel' way the gas people have worked and are working to preserve and protect our environment.



*Some of the rarer flora and fauna of the Purbecks, Dorset. The Secretary of State for the Environment presented the Silver Jubilee Cup of the Royal Town and Country Planning Institute jointly to British Gas and Dorset County Council on June 24, 1982.

Clean air and unspoilt countryside—from the Gas People

UK NEWS

Set Channel 4 broadcasts to start on November 2

THE U.S. SE... a heavy sub... call for the... necessary, in... contain Cuba... Latin Americ...

ELI LILLY... inquir... artari... The U.S. sc... examine da... environment... should...

Uneasy calm after the Mersey storm... Ian Hamilton Fazey reports on the Liverpool squabble over who controls what.

Stricter control plan for Isle of Man banks and insurance groups

BANKS and captive insurance companies operating in the Isle of Man are to be subject to stricter controls by the Manx Government.

Furniture manufacturers' deliveries fall

MANUFACTURERS' deliveries of domestic furniture fell 12.9 per cent in the second quarter of the year, compared to the same period of last year.

Steel union fears move for 'zero' pay rise

BRITISH STEEL is expected by union leaders to offer its 96,000 employees a "zero" pay increase at national level this winter—for the second year.

NHS pay protest wins key support

THE health service unions today start the fifth and final day of their latest industrial action, after winning industrial arbitration with their pro-paganda war with the Government.

Attitudes hardening

But Mr Sirs claims he has detected a hardening of attitudes, seen in recent strikes at Ravenscroft, Worthington, Corby and Sheffield.

COMPANY NOTICES

COMPAGNIE FINANCIERE DE SUEZ... SOCIETE ANONYME WITH A CAPITAL OF 1,423,000,000 FRENCH FRANCS... NOTICE TO HOLDERS OF 7% CONVERTIBLE DEBENTURES DUE 1982...

Bank of Scotland Home Loan Rate... Bank of Scotland announce that with effect from 13th August 1982, Bank of Scotland Home Loan Rate will be decreased from 13 3/4% to 12 1/2% per annum.

BASE LENDING RATES table with columns for bank names and interest rates.

Seamen complain over pay and conditions in Falklands

NEARLY 800 British merchant seamen in the Falklands are complaining about the way they are being treated by employers and the Government.

Call on minimum wage

THE TUC's main policy resolution on pay in the public sector, which will be debated at next month's Congress in Brighton, is likely to be strengthened by the acceptance of an amendment calling for a national minimum weekly wage of £90.

Scotland bus shift dispute

A DISPUTE with engineering workers over new rosters in the Scottish Bus Group threatens to put many of Scotland's buses off the road.

Boilermakers issue merger plan

PROPOSALS for the projected merger of the General and Municipal Workers Union and the Boilermakers' Society are being circulated by the unions following agreement of their executives to the scheme.

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THE PROPERTY MARKET BY MICHAEL CASSELL

Se Cu Bumpy ride ahead

THE RIDE on the UK property share switchback (a mediocre experience when set against the thrills and spills now being offered by the Hang Seng model in Hong Kong) could still hold a few nasty surprises, but this week brought a useful reminder that those who hold tight or jump on could end up enjoying themselves.

The recent sharp decline in the sector's relative performance, reflecting the growing imbalance between demand and supply, stagnating rentals and arguable values, has recovered some ground on the back of still falling interest rates and a run of good company results. MEPC's return from the wilderness has also helped.

It would be foolish to suggest that the worst is necessarily over but there at least are grounds for believing that some of the sentiment which has been noticeably lacking for much of the year is beginning to return and that institutional investors have resumed the purchase of quality property stocks.

The view in some quarters is that the sector will now remain fairly firm and that gains will be the order of the day next year and in 1984 as the lettings market revives and rents once again begin to show real improvement.

Before then, however, anything may happen. This week's latest property review from Vickers da Costa, the City stock-brokers, reckons that nearly all the factors which determine the property share sector's relative strength remain stubbornly negative to neutral.

Analyst Gordon Ireland believes that, for the remainder of this year, space availability may well continue to rise, with stagnating or falling rent levels continuing to put pressure on existing prime yields. Some fringe locations, he says, begin to look increasingly exposed and the autumn could prove to be the testing time.

With the worldwide recession definitely weakening the international property market, particularly in North America, the sector may, Ireland adds, have to suffer an increasing flow of adverse developments in the immediate future.

The prospect has been at least partially recognised by the current, historically high discount to asset values (which in some cases have been well up to expectations). Shares are beginning to look historically cheap, especially as many companies have been strong fund raisers over the last couple of years, leaving them with healthy cash balances and profit and loss accounts.

But according to Ireland: "This position will not necessarily protect the sector from further falls when, as is usual

at the bottom of a cycle, questions begin to be raised as to the credibility of property values and the longer-term growth prospects.

However, for those who are brave enough to recognise any end-bearing market pale for what it is and who can convince themselves that a world economic recovery has merely been put back a year, the next few months could provide some outstanding buying opportunities.

Vickers da Costa sticks to its earlier suggestion that portfolios should continue to be weighted away from central London and in favour of shares offering high exposure to industrial and regional property.

The brokers, along with a growing band of supporters, seem to feel that the bottom of the trough in the industrial sector at least is now being reached, with the level of inquiries for space — not yet translated into deals — on the upturn.

Optimism, it seems, will prove every bit as useful as bravado in the testing months ahead.

About-turn angers the Prudential

THE MEN from the Prudential rarely leap into funding higher-risk, experimental, inner-city development schemes, so they take a poor view who a previously supportive local authority changes its mind at the last minute and vetoes just such a proposal.

In this case, the guilty party — according to Prudential Assurance — is Southwark Council in South London which has performed an agile about-turn in withdrawing support for a project which appears to be motivated at least as much by social as by financial considerations.

The Prudential is set to spend £4.5m on the first phase of what it describes as London's first "technopark" to be situated on a derelict two-acre site at the Elephant and Castle. The centre is designed to act as an incubator for fledgling, high-technology businesses which would be able to draw on all the skills, advice and equipment distributed around it in the shape of the Polytechnic of the South Bank.

Southwark supported the concept but while the Prudential went off to the Greater London Council and the Department of the Environment to win approval for necessary rezoning of the land in question, the council changed its political complexion and its mind.

The Prudential is characteristically diplomatic but privately infuriated and intends to lodge

an appeal while discussing the matter with Southwark planning committee.

According to Michael Mallinson of the Prudential: "The project is simply not recognisable as a standard, safe commercial proposition but we regard it as an extension of our commitment to help the inner cities. A blend of multi-storey industrial units, uncertain covenants, high management content, and, for good measure, the involvement of academics, is not calculated to bring developers running but we believe this plan would work."

"We are not into yields on this one and have no real idea of likely rents. We will be more concerned with fostering good ideas than securing good covenants."

The group's property men have put seven months of groundwork into preparing the scheme and, even if they eventually win the day, their story will do little to encourage others to follow them down the path which the politicians wish them to take. Mr Mallinson intones: "we could well be discouraged from doing this sort of thing again."

For its part, Southwark is understood to have no reservations about the concept behind such a scheme but believes the site in question — which it owns and which has been empty since the last war — should someday be used, at least in part, for housing.

Taywood in U.S. sale

Taylor Woodrow Property's U.S. subsidiary has raised \$3.5m with the sale of its Norlake Exchange office development in Atlanta, Georgia.

The building, which was sold to the Georgia Student Finance Commission, was started in September 1981 as a speculative scheme on a 3.2 acre site. It was leased during construction to the Commission and two other tenants. Total cost of construction was \$2.5m.

● New Court Property Fund, the N. M. Rothschild property unit trust, has sold its very long leasehold interest in 122 New Bond Street, London W1, for over £1m. The Fund held a lease from the City of London Corporation with an unexpired term of 1,940 years at a fixed ground rent of £792 per year. The five-storey shop property is let to Cecil Gee on a rack rent. Since its purchase by the Fund in 1977, the building has provided a total annual return of about 17.5 per cent.

● Hunting Gate Developments have completed the purchase of 150-152 Brompton Road SW3 and of 21, 23 and 25 Cheval Place SW7 from Airways Pension Fund Trustees. The group have applied for permission to develop 10,500 sq ft of offices in a separate block, there will be four luxury homes and one shop built. Jones Lang Wootton and John D. Wood acted for the Fund.

Germans consider UK investment

MULLER INTERNATIONAL, one of the largest West German estate agents, have established a London investment department to locate institutional-standard UK properties for German investors.

The agents have been operating in London for six years, channeling funds from and through the UK into the West German property investment and development market. Now they intend to establish a two-way business.

Geoffrey Mitchell, who has joined Mullers from the overseas department of Cluttons, says there is now rising West German interest in the UK property investment market.

"One of Germany's best-known and biggest institutions has decided to build up a UK portfolio and our first instruction is to acquire a prime commercial building with a price tag of £15m. We will also be looking on behalf of several other substantial investors."

Mitchell says that many potential investors in Germany are not put off by low yields in the UK, preferring to concentrate on the potential for capital growth and the opportunity which Britain provides for them to diversify into what remains one of Europe's most stable markets for property. The institutions in Germany, he adds, are increasingly turning their attention away from the east of the continent and concentrating more on investment opportunities throughout the remainder of Europe.

The Muller team has also been expanded with the addition of Zak Gertler from Jones Lang Wootton and the new department will also be attempting to secure domestic investment business. It was the prospect for domestic investment business which lay behind the decision to establish the new department in London but the international element has, so far, made most of the funding.

Until now, Muller's presence in London has assumed the shape of Rinaid Frank, a chartered surveyor, who has always managed to work either for British estate agents in Europe or for a European agent in the UK.

According to Frank, the London operation — having just taken over the West End offices of Balenciago — will continue to seek investment funds interest in West Germany, as well as its range of valuation and management services. News of Muller's decision is hardly likely to presage a flood of Deutschmarks into the UK property investment market at a time when domestic investors are blowing hot and cold. There could, however, be one or two interesting deals on the way.

● Redlake Securities has applied for permission to develop a 25,000 sq ft office building in Homer Road, Seibull, on a site which it owns and which is thought to be the only one left in the town centre not owned by the local authority.

U.S. SE a heavy sabbath call for the necessary, it contains Cuba Latin America

After some senators add effect that it to be provided with authority the region us Powers Act.

But opponents still compare the Gulf of use by Johnson to U.S. investment the mid-1970s

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BY PAU

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● Pitman Publishing has sold its freehold interest in 39 Parker Street, Holborn, to Gramco Properties for a price close to the asking figure of £2.5m. There is planning permission for extensive refurbishment to provide 27,000 sq ft of offices. Knight Frank & Rutley and Farebrother acted for Pitman.

● Land Securities has sold its freehold shop and office building in Birmingham city centre for over £430,000. Guildhall Buildings near New Street Station comprises 14 shops and 17,500 sq ft of offices. Steward, a local private investment company, is the purchaser. Land Securities were advised by Edwards Gilwood and Bewley.

PRIME RETAIL STORE

FOR SALE BY TENDER
(Returnable by Noon on 30th September 1982)

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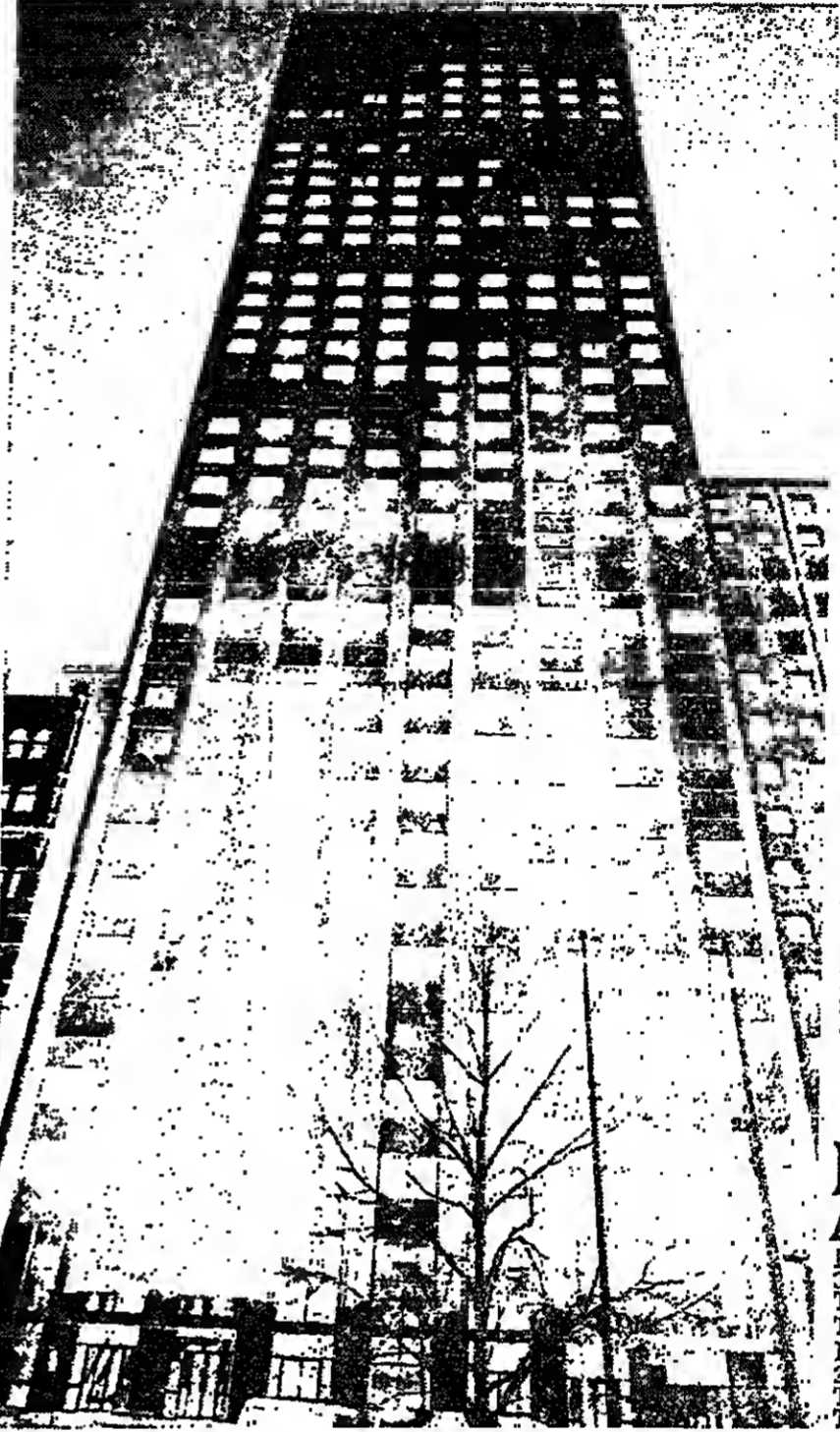
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MANAGEMENT

Why Nixdorf believes it can tackle the giants

High technology private companies are rare in West Germany. In the first of two articles Stewart Fleming looks at a notable exception

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TECHNOLOGY

Europe's biggest carbon fibre factory destined for Scotland Inverness could be marketing catalyst

BY PAUL GEOFFREY CHARLISH

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As with most new materials, potential users are more than interested in any special properties, but are generally rather less interested in paying the price... So the familiar new materials situation has prevailed: large volume users would emerge if the material was cheaper and the price would reduce only if the volume was higher... Back in April, stockbrokers Laing and Cruikshank issued a report which suggested that carbon fibre was about to go up a new, steeper growth curve... In the decade since 1972, following the Courtauld/Rolls-Royce 'act of faith' in making and using the material, fibre sales have climbed to £25m a year, and are expected to reach £100m to £150m by 1985... The report continues: 'We believe the time has been reached when this innovation is passing out of its evolutionary phase into its major five and ten year commercial growth period—a point when maximum profits are earned... The fibre is manufactured by...

high temperature treatment of a plastics material called polyacrylonitrile... The 'RK plant' will produce continuous filament material using processes that result from recent advances made by the company in the design of oxidation ovens, low and high temperature carbonising ovens, surface treatment and resin sizing systems... Initially there will be two high strength grades, RK35 and RK30, and they will be treated to promote adhesion to the polymer matrices (body materials)... To give improved handling characteristics and abrasion resistance they are sized with resins, which are fully compatible with epoxy, unsaturated polyesters and a range of other polymers... The company believes that the new plant will become a catalyst for a marketing operation by RK in the UK and elsewhere in which the RK Group will be the prime mover in turkey developments involving plant construction, installation, commissioning, management and staff training... The company says that there are 'already indications of a strong world-wide demand'... According to the Laing and Cruikshank report, a breakthrough in the vehicle construction industry is in process... Feasibility studies predict, it says, that the cost-effective use of carbon fibres can be achieved at a price of about £10/kg leading to hybrid carbon/glass products at £2/kg and finished components at £3/kg... Already Chrysler, for example, has demonstrated the use of carbon fibre reinforced plastics (CFRP) in a drive shaft, rear leaf spring, door hinges and even five push rods... In the UK, Rubery Owen can make a multilayer carbon/glass composite single leaf spring that weighs about a third of the steel equivalent... An improved fatigue life, high corrosion resistance and less noise are claimed... As Courtauld, currently the main UK carbon fibre supplier, the research division has built prototypes of a turbocharger compressor rotor and gear selector forks... In Germany, Bosch is in production with distributor components made from nylon with 40 per cent carbon fibre reinforcement... In the U.S., complete engine blocks have been made by Polymotor Research using polyimides and epoxies reinforced with glass and carbon fibres... Only the really high temperature items are metal-chamber valves, valve springs, cylinder liners and items like crankshafts and camshafts... The engine weighs 170 lb, its conventional equivalent some 370 lb... Much depends upon price... In 1977, a Ford team built a car with as much carbon fibre in it as possible and produced a final weight saving of 33 per cent (including the 'knock-on' effects of having smaller engine and so on), but it turned out to be several times more expensive than the equivalent steel product... Prices of the material are not freely quoted by the makers... Courtauld's simply says that the price of its 'Graft' product 'is firmly linked to volume'...

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Satellite pictures may help identify the tanker culprits Putting the finger on the ocean polluters

BY THOMAS LAND

SCIENTISTS at a British university have developed a space-age method for the identification of vessels polluting the seas... Their colleagues at several institutions in Baltic Europe are collaborating on an alternative scheme for the 'fingerprinting' of offending tanker captains by tagging their cargo residues and bilge sludge with a combination of metal alloy particles... Pollution control has emerged as a vigorously pursued international big business since the adoption of vast marine zones by more than 100 coastal states for their exclusive economic zone... The scheme developed at Lancaster University uses infrared pictures obtained from space satellites to identify oil slicks at sea... The Baltic experiments involve the identification of polluters through a...

virtually infinite variety of microscopic alloy particles which tanker captains would be obliged to mix with their cargoes... A related scheme is being developed in North America... Ballast... The bulk of oil pollution affecting the seas does not originate from spectacular disasters such as the Ashoco Cadiz spill, in which the polluter is in any case easily identified... It is caused by the discharge of oily water from the bilges or cargo and ballast tanks... Tens of thousands of such spills—some deliberate, some accidental—account for millions of tonnes annually... And the ships that cause the damage usually escape detection... But not for long... The trend of the future is being written into a series of treaties, con-

ventions and accords promoted by the United Nations Environment Programme binding or soon to bind more than 100 countries to protect their common marine resources from many man-made hazards including oil pollution... The countries involved in the UN's regional sea programme are the very coastal states which have recently declared exclusive economic rights over marine areas stretching up to 200 nautical miles from their shores... The resources thus acquired include most of the world's best fishing grounds yielding an annual landed value of more than \$3bn... Many of their new owners are also prepared to deploy their navies to protect them from each other as well as the marine polluters... Hence the sudden surge of interest by governments in the...

development of technologies for the control of marine pollution and the identification of offenders... Oil slicks on water can raise the temperature in the affected area by 1°C which can be detected by a sensitive heat measuring device on board orbiting satellites... The Lancaster University scheme involves the scanning of satellite pictures showing temperature differentials in different colours and identifying, measuring and following the movement of slicks at sea... Analysis... The Baltic scheme, which has brought together many research institutions in Denmark, both Germany, Finland, Poland, Sweden and the Soviet Union, has been tried already in a promising limited experiment... It is based on a central data-



The ADKO drill sharpener.

Three years development

AFTER three years of design and development, the ADKO Machine Company of Warwick has come up with this drill sharpener which, it claims, is ideal for an unskilled operator... The machine weighs 10.5kg, is 310mm high and has a 170 x 240mm base... Symmetrical points are produced with quick and single setting... The system limits the range to a standard point angle of 118 degrees, thus enabling the operator to preset adjustment and so have drills loaded and ready for grinding within seconds... The machine will sharpen drills between 3 and 30 mm; it is available as a complete unit—including grinding wheels—with a 12V lamp, transformer and diamond dressing fixture... It should cost about £275 plus VAT... More from Keith Statham on 0926 497350.

Infrared beams Polarised light technique

INFRARED BEAMS are frequently used to detect the presence of objects on a conveyor, based simply on interruption of the beam, but problems can arise if the passing object is just as reflective as the surface that normally reflects the beam when no object is present... In its WL33 series of detectors, the Erwin-Sick company has used polarised light techniques... The outgoing beam passes through a vertical polarising filter and if no shiny can, for example, is present, it strikes a prismatic reflector on the far side of the conveyor belt where its plane of polarisation is turned through 90 deg to become horizontal... The returning beam passes through a horizontal polarising filter with no trouble... But if a shiny object is interposed the beam is still returned through to the receiving filter but, being vertically polarised (and unaffected by the shiny object), cannot pass through... The WL33 has an 8m operating range and the beam is 'chopped' in the usual way to prevent interference from other light sources...

STILL FORK TRUCKS The Best in Europe! STILL PHONE BILSTON 40242

Generators Diesels ERA TECHNOLOGY of Leatherhead has begun an investigation into the problems of integrating the fluctuating output of wind turbine generators into small diesel based power systems... Ultimate users of such a system would be in isolated areas where electricity has to be produced by diesel generator sets at a cost of up to 80p/kWh... Just how much wind power can be added is determined mainly by the voltage and frequency stability limits of the system which, because of the fluctuating output of wind power generation, is difficult to define... So the main objective will be to determine the maximum proportion of system load that can be attributed to wind power without creating unacceptable frequency or voltage variations... Although the project is under way, it is still open to further sponsors and details can be obtained from Dr K. S. Leung on 0372 374151.

Diagram showing a vertical beam of light passing through a polarising filter, reflecting off a shiny object, and passing through another polarising filter. Labels include 'Polarising filter', 'Shiny object', and 'Polarising filter'.

FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY. Telegrams: Finantimo, London F54. Telex: 8954871 Telephone: 01-248 8000 Friday August 13 1982

France, Israel and terrorism

THE MASSACRE by gunmen of six people in a Jewish restaurant in the heart of Paris last Monday has understandably provoked angry and emotional reactions from the French Jewish community, as from other sections of French society.

It is true that France's friendship for Israel is not exclusive and does not go as far as underwriting all Israel's policies. In particular, Mr Mitterrand has made it perfectly clear that his government supports the right of the Palestinian people to determine their own future and to obtain their own homeland.

That does not, however, permit Mr Begin to describe the France of today, as he did in the Knesset, as a land of "rampant anti-Semitism." History has moved on, feelings of guilt about their country's behaviour during the Second World War have helped the French to create an intellectual and psychological rampart against a revival of organised anti-Semitism.

Indeed, at the beginning of this year, Mr Mitterrand was the first French President to visit Israel since his creation in 1948. He took this step in spite of warnings from the Arab countries that his visit would be considered as a hostile gesture by the Arab world and in spite of France's great reliance on imports of oil from the Arab producer countries.

More light on moonlighting... IS BRITAIN'S black economy attracting more attention than it really deserves? Perhaps not if one chooses to believe the wider estimates, which range up to 15 per cent of gross domestic product.

Michael Holman reports from Nairobi on the consequences of Kenya's attempted coup

A tarnished reputation, an economy in trouble

ANY visitor to Nairobi's streets this week might have found it hard to grasp that for a few hours on August 1, the fate of one of Africa's most stable states appeared to hang in the balance.

KENYA'S BALANCE OF PAYMENTS (K£ million unless indicated otherwise) Table with 4 columns (1978, 1979, 1980, 1981) and 10 rows of financial data.

On the surface there has been a remarkable recovery. But when members of the parliamentary caucus of the Kenya African National Union (KANU) met this week to review events they will have appreciated that the consequences go far beyond the 148 lives officially lost (most observers double that figure).



Jubilant army troops raise their guns in victory after crushing the attempted coup.

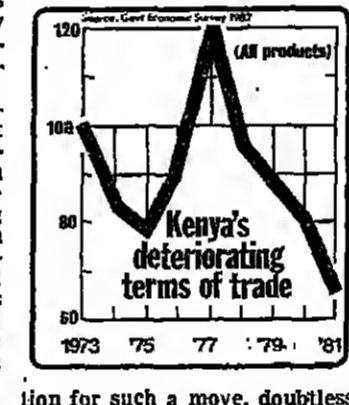
How, it was not only the coffee and tea boom of the mid-1970s that was deceptive. The country's remarkable post-independence average annual GDP growth of 6.5 per cent was in part due to pursuing what the vice-president and former Minister of Finance, Mr Mwai Kibaki, called "soft options."

Earlier this year the former vice-president and unofficial leader of the Luo people, Mr Oginga Odinga, made an outspoken attack on government.

"Mass unemployment, low wages, soaring prices, shortages of food," he said "were caused not by high oil prices or the western recession but by corruption, misuse of our foreign exchange, importation of luxury goods, poor planning."

President Moi's response has been to clamp down on dissent. About a dozen opponents have been detained, Mr Odinga himself has been expelled from KANU and has had his passport confiscated, the country became a one party state in June (making de jure what had been de facto) and a local newspaper editor who criticised the government without trial was sacked.

For a while it seemed that Mr Moi had reached a rapprochement with the Luos (13 per cent of the population and the third largest group after the dominant Kikuyu—21 per cent—and the Luhya, 14 per cent) by bringing Mr Odinga back into the fold.



Kenya's deteriorating terms of trade. The graph shows a sharp decline in the index from 1973 to 1981.

Men & Matters

Travelling man

One of the most coveted deals to pull off these days in the international first league of capital equipment and finance is the provision of a mass transit system complete with civil engineering, and railway engineering: the whole gift-wrapped in a stylish package of guaranteed finance.

Figures of fun

Could it be that before going on holiday a ministerial head poked round the door of the Central Statistical Office with a few words about encouraging a brighter picture in future? Impossible, you say.

hoodwinked, bamboozled, and led up the garden path by city slickers from the world's major oil companies.

That is the question Norwegianers ask themselves following publication this week of a disturbing memorandum by a fellow citizen formerly on the payroll of a U.S. oil company.

The International National Bank

Advertisement for The International National Bank of Australasia Limited. Text includes: "In Australia, people know us simply as the National. And now us extremely well: we've been a major force in Australian banking for well over a century..."

Provocation

When Northern Ireland's first sex shop opened in Belfast this week a 71-year-old gentleman living nearby told reporters "Sex is had enough as it is without having it encouraged in this way."

Oil slickers

Have the oil-rich Norwegians, sometimes called the blue-eyed sheikhs of the north, been

Observer (handwritten text)

Companies and Markets

UK COMPANY NEWS

Brady in profit in second half

A PRE-TAX profit of £48,000 in the second half at Brady Industries was insufficient to eliminate the first-half loss of £86,000. As a result, the group ended the year to March 31 1982 with a £38,000 deficit compared with a £483,000 profit previously, on turnover up from £30.79m to £22.65m.

Table with financial data for Brady Industries, including turnover, profit, and balance sheet items.

BARING BROS.

The directors of Baring Brothers and Co. have announced that profit for the six months ended June 30 1982, was higher than that for the same period in 1981.

Anthony Moreton locks at the intricate and prolonged struggle for ownership of a textile giant No end in sight to the battle for Illingworth, Morris

THE High Court decision at the very end of the summer law term to delay hearing for as much as a year the case in which Mr Alan Lewis sought to proceed with his purchase of Illingworth, Morris is a disappointing blow for this little-known businessman.

because Mrs Mason entered into it in breach of her duty as executor of her father's estate. The court has now rejected Mr Lewis' plea and as the trustee he said his case will not be ready for trial before January, the earliest it can find a place in the court lists is July 11 next year.

Mr Lewis has reached agreement in January with Mrs Pamela Mason—one-time wife of actor James Mason, a television chat-show hostess in her own right in Los Angeles, and daughter of the founder of the holding the company, which claims to be the world's largest woolen business.

BANK RETURN

Table showing banking department returns for August 13 1982, including liabilities, capital, and assets.

ISSUE DEPARTMENT

Table showing issue department returns, including liabilities, notes issued, and assets.

RESULTS AND ACCOUNTS IN BRIEF

C. M. SMITH (HOLLINGS) (steel stockholding and development) reported July 18. Shareholders' funds £2.6m (£2.5m); net current assets £1.5m (£1.3m); fixed assets £1.1m (£1.0m).

SHARE STAKES

Amalgamated Estates — Sir Gerald Glover has sold 150,000 ordinary shares to Mr Lewis, and at a price much lower than she had, at one stage, been offered by Hill, Samuel.

Ultrammar looking ahead with confidence

Review of Ultramar Group Financial Results and Operations for the six months to 30th June 1982.

Summary of financial results table showing sales, operating profit, net profit, cash flow, and capital expenditures for 1982 and 1981.

For the first six months of 1982, the Ultramar Group had sales revenue of £645,300,000, operating profit before taxation of £85,900,000 and a net profit of £44,000,000.

There has been no improvement in economic conditions in the Western World and margins continue to be weak. This has affected the profitability of our Canadian refining and marketing divisions, which had lower profits than last year.

Modernization of the Quebec Refinery, development of the North Sea Maureen Field and doubling the capacity of the Liquefied Natural Gas Plant in Indonesia are on or ahead of schedule and our cash flow and profits should begin to reflect these completed projects in the last half of 1983.

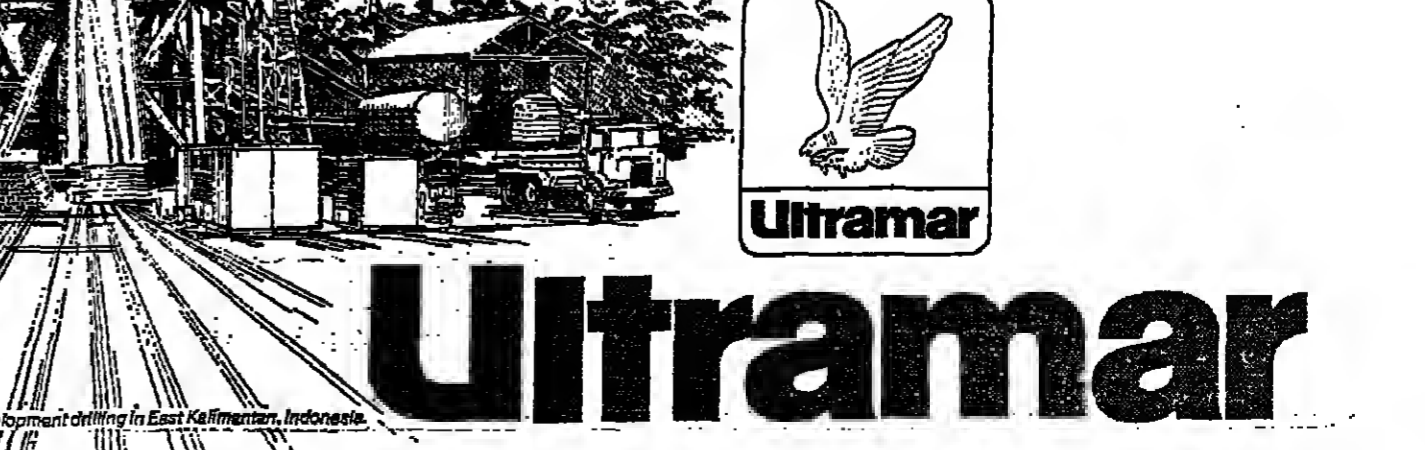
Consolidated profit and loss account table showing sales, profit, and earnings per share for 1982, 1981, and 1980.

Notes: 1. Group operating profits are largely in US and Canadian dollars. 2. The loss on foreign exchange fluctuations of £2.5 million during the first six months of 1982 relates almost entirely to long term loans of individual subsidiaries repayable over the years to 1993.

Operating results table showing sales of oil, oil refined, oil produced, gas produced, and gross wells drilled for 1982 and 1981.

Form for requesting a copy of the full Review of Group Financial Results and Operations for the six months to 30th June 1982, including fields for Name and Address.

The Board has declared an interim dividend of 5 1/2p per share (1981, 5p) on the Ordinary Shares. The dividend will be paid on 15th October, 1982 to shareholders on the register on 10th September, 1982.



Sunlight ponders on OFT decision

BY RAY MAUGHAN

THE BOARD of Sunlight Services Group was yesterday weighing up whether to pursue its interest in Johnson Group... Sunlight's current approach also lapses under the conditions of its bid although, as ever, the Trade Ministry stresses that the reference does not in any way prejudge the question whether or not the merger concerned would be against the public interest.

Many of the major bids referred to the Commission this year will be re-started given a favourable decision. For instance, should the Commission complete its report within the usual six-month deadline, Nestlé would expect in such circumstances to renew its offer for Huntley and Palmer Foods some time after September 18.

Electrocomponents expands into U.S.

MANUFACTURER AND distributor of electronic components Electrocomponents has acquired 80 per cent of the shares of MESA Technology, a U.S. private corporation...

The shareholding in MESA will be held by Electrocomponents U.S. Inc., a wholly owned subsidiary of Electrocomponents.

The initial consideration of \$5.42m is being satisfied by the issue to the vendors of Electrocomponents 10p ordinary shares; the principal vendors being the three senior managers of MESA and their wives.

The new Electrocomponents shares have been placed in the market on behalf of the vendors by Robert Fleming and Co. L.

The profit for the year to June 30 1982 were \$477,000 on turnover of \$7.53m. This compares with profits after tax for the previous year of \$200,000.

Messrs Grinspoon, Cooperman and Hess will continue in their present positions with MESA and have service agreements for three years.

The directors of Electrocomponents see this acquisition as a development of the group's present distribution activities and an opportunity to participate in a rapidly expanding area of electronics in the U.S.

Beazer steps up stake in Blockleys

C. H. Beazer, the West Country building and property group, has had "some limited success in buying more shares in Blockleys, the Telford specialist brick manufacturer." Beazer has said that it does not envisage a full takeover of Blockleys and confines its stake to a target of 15 per cent.

Industrial and Commercial Finance Corporation, adviser to Blockleys, has made it clear—contrary to our previous understanding—that it has not sold any part of its 1.688 per cent holding.

ICFC's holding forms part of a 50 per cent plus stake which includes family bond and associate interests known to have resisted any approaches to sell at Beazer's buying price of 180p.

Blockleys said yesterday that it had discussed the offer with its financial advisers and, in the appropriate meetings, of Le Vallonet to approve as soon as practicable the winding up of Le Vallonet.

ATLANTIS RESOURCES LE VALLONET

The offer by Atlantis Resources International to acquire the balance of the shares in Le Vallonet it does not already own has been accepted in respect of 277,182 ordinary shares (11.91 per cent).

Before the offer—which will remain open until August 26—Atlantis owned 1,566m shares in Le Vallonet (58.7 per cent).

Atlantis directors intend to pressure the convening of the appropriate meetings of Le Vallonet to approve as soon as practicable the winding up of Le Vallonet.

At the EGM of Charles Booth on August 12 the special resolution to reorganise the share capital of the company was passed and the new shares created have been allotted.

WATSHAMS

Mr G. Tilling, the founder of Watshams's 75 per cent owned subsidiary, Industrial Pharmaceutical Service, has exercised his option to sell to the company his 25 per cent holding in IPS for £379,988.

The company will satisfy this consideration by the issue of new ordinary shares, which will be placed with institutional investors.

SHARE STAKES

Cumet Group—As at July 19 1982 the Norwich Union Group of Companies held 2,060,386 shares (5.10 per cent). Second Alliance Trust—The Standard Life Assurance Co. and Standard Life Pension Funds hold 896,000 ordinary (5.182 per cent).

Big coal and iron ore ventures attract finance

BY KENNETH MARSTON, MINING EDITOR

BOARD MEETINGS

ALTHOUGH the world mining industry is going through a depression possibly worse than that of the 1930s, it is still able to raise huge amounts of finance for new ventures.

Latest news on the coal front is that project financing of the equivalent of US\$450m (£295m) has been arranged for the big Blair Athol coal mine in central Queensland.

Partners in Blair Athol are: RA (50.22 per cent), Atlantic Island (15.39 per cent), ACI sources (12.195 per cent), Rydberg Sugar (12.195 per cent) and Electric Power Development and Japan Coal Development (10 per cent).

The Blair Athol project will involve expanding the open-cut mine to an annual capacity of 5m tonnes of coal with the possibility of further expansion.

Glorious Twelfth in the outback

WHILE others were celebrating August 12 the traditional manner of a grouse on Scottish moor in Australia partners Pancocontinental Mining and Getty Oil are celebrating the final grant of a mineral lease for the development of their big and grade Jabubula uranium deposit in the remote Northern Territory.

They too, however, are under fire. It comes from the opposition Australian Labor Party which is against the uranium mines, while the labor unions no doubt also have strong feelings.

Then there are the larger of shot emanating from other observers who, considering the depressed state of the market for uranium oxide, doubt Jabubula's chances of securing sufficient long term supply contracts to back the financing of the project which could, in the region of AS600m (£36m).

N. Kalgurli plans to raise gold output

SOME lifting of the clouds over North Kalgurli comes with the news that it plans a 30 per cent increase in production for at least for the six months from September—from its Fimistoo gold mine in Western Australia thanks to the discovery of 55,000 tonnes of ore grading an average 5.7 grammes gold per tonne at the Kemlo No. 2 lode.

It is reported that the new ore can be treated from open pit operations at a rate of 10,000 tonnes per 25-day period, starting next month. This, together with other production, is expected to provide over 23,000 tonnes of monthly mill feed.

The company is considering the expansion to monthly capacity at the Croesus mill to 22,000 tonnes.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Future Dates: Aug 28: British Overseas Airways; Aug 28: Cornhill; Aug 17: Anglo-Italian Petroleum; Aug 17: Anglo-Italian Petroleum; Aug 17: Anglo-Italian Petroleum.

Meanwhile, it is reported from Brasilia that Mr Antonio Delim Netto, Brazil's Planning Minister, will be in Washington today to sign for a \$304m loan from the World Bank for the giant Carajas iron ore project of the state-owned Companhia do Vale do Rio Doce in the Amazon Basin.

The loan is part of a \$1.5bn financing package assembled by the European Community, Japan, West Germany and the World Bank. The credits will go towards the construction of a railway, port and the development of an iron ore mine at Carajas in the eastern Amazon, where iron ore reserves have been estimated at an awesome 18bn tonnes.

The World Bank said that its loan runs for 25 years, including three years' grace, and would carry interest at 11.6 per cent. It is guaranteed by the Brazilian Government.

Japan, the European Coal and Steel Community, Kreditanstalt für Wiederaufbau, the U.S. Export-Import Bank and European and Japanese export credit will also provide a total of \$1.36bn.

In addition there will be local funding of \$220m and \$200m of commercial bank co-financing.

And to underline their faith, the partners are optimistic that uranium production for 207,000 tonnes of the material, not to mention some 12 tonnes of by-product gold.

Weak metal prices, production problems and industrial unrest contributed to the latest profit result. The company states that negotiations with Zimbabwe's Ministry of Mines regarding assistance are, hopefully, now close to finalisation.

Rio Tinto loss in Zimbabwe

RIO TINTO LOSS IN ZIMBABWE AN OPERATING loss of £53.6m (232m) for the year ended June 30 compared with a profit of £21.16m in the same period of last year is reported by Rio Tinto Mining (Zimbabwe).

The net loss, after tax adjustment, comes out at £51.6m against a profit of £285.7,000 a year ago.

LONDON TRADED OPTIONS table with columns for Option, Ex price, Closing price, Vol, Closing offer, Vol, Closing offer, Vol, Equity close.

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol, Aug Last, Vol, Nov Last, Vol, Feb Last, Stock.

NINE MONTHS' RESULTS

Table comparing Modified Historical Cost (1981) and Current Cost (1982) for nine months to 30 June, including Sales, Trading profit, Earnings etc.

- Under the modified historical cost accounting convention, pre-tax profits for The BOC Group of £72.0 million for the nine months ended 30 June 1982, show an increase of 14% over the £63.0 million in the comparable period of the previous year.

THE BOC GROUP

For full text, including condensed balance sheet of 30 June 1982, write or phone Corporate Communications, The BOC Group plc, Hammersmith House, London W6 9DX. Telephone: 01-748 2020.

electrocomponents

Despite little overall market growth we have further widened our product ranges and increased market share. We achieved new records in both sales and profits but pressure on margins continues.

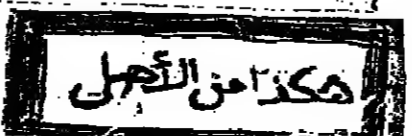
REPORTS RON MARLER CHAIRMAN

The field of electronics continues to evolve and the application electronic devices is ever widening. The group will therefore strive for growth both from increased sales and by way of acquisition.

Copies of the Reported Accounts can be obtained from the Secretary, Electrocomponents plc, 37/45 City Road, London EC1P 1HX.

Comparative results table with columns for Year to 31.3.82 and Year to 31.3.81, including Turnover, Profit before taxation, Taxation etc.

electrocomponents



Foreign and Colonial turns in net £2.98m

Available net profit at the Foreign and Colonial Investment Trust Company rose from £1.67m to £2.98m in the half-year to June 30 1982. Gross revenue was lower at £8.75m against £7.24m, with franked income accounting for £3.16m compared with £2.78m, and unfranked income falling from £3.38m to £3.61m. Management expenses and interest charges totalled £1.98m against £2.81m, leaving pre-tax revenue up from £1.53m to £2.77m. There was a tax charge of £1.79m (£1.65m) Preference stock dividends took £47,000

(same) and ordinary dividends absorb £1.97m (£1.64m). The interim dividend is raised from 0.625p to 0.75p net to reduce disparity between interim and final—last year's total was 2.035p. Net assets attributable to ordinary shareholders dropped from £50,196 to £215,452, and the net asset value per 25p ordinary share was 52p (95.2p) prior charges at nominal value, and 84.2p (£7.5p) prior charges at market value. The directors say the revenue account continues to make progress.

Anglo-Intl. Tst. advances to £211,000

Net revenue of the Anglo-International Investment Trust advanced from £168,000 to £211,000 in the first half of 1982. The interim dividend is being raised from 2p to 2.3p net per 25p share to reduce the disparity between it and the final—last year's total of 5.2p was paid. Net asset value per share on June 30 is given as 298p (328p), when 56.1 per cent of total assets was invested in the UK, 23.4 per cent in the Far East, 2.5 per cent in the U.S., 2.1 per cent in South Africa and 0.5 per cent in Spain.

Very buoyant summer season at Intasun

Intasun Leisure Group has had an extremely buoyant summer, and with a recent upsurge in demand, has had to lay on extra flights. Mr Harry Goodman, chairman, told shareholders at the AGM. The load factor was at its highest at 92 per cent. However, bookings for coming winter season were disappointing, and currently below those of last year, he reported. Nevertheless, he would be disappointed if group pre-tax profit for year to March 31 1983 did not reach a level similar to that achieved last year.

Taddale ahead: placing planned

Taddale Investments has reported pre-tax profits for the year to end April 1982 of £1.1m, compared with £0.4m. The company is known for having bought a 50 per cent stake in the stock market in March 1981, to which this year, Taddale spun off its joinery business, Platfont and Harris, reversing its 100 per cent stake in Dhamzi Holdings, which was then renamed PH Industries.

Taddale still holds 30 per cent of Munton and 40 per cent of PH Industries. Taddale is not itself quoted. At present a placing of 4m shares is being arranged, which will raise approximately £1m, increasing the issued capital by just under a fifth. The directors are considering seeking some form of quotation for the shares during the next year or two.

Public Works Loan Board rates

Effective August 11. Quota loans repaid. Non-quota loans A* repaid. Table with columns for years (1-5) and rows for different loan types (up to 6, 6 to 7, etc.).

Trafford Carpets in profit for year

IN THE year to March 31 1982 Trafford Carpets (Holdings) turned round from a pre-tax loss of £174,000 to a profit of £44,000, on turnover reduced from £2.98m to £2.38m.

At half-way, with pre-tax profits of £43,000 (loss £109,000), the directors of this close company said that the figures reflected the benefits from reorganisation and cost-cutting effected earlier in the year.

However, after second-half profits of only £1,000 (loss £68,000), the directors are again recommending a dividend. Earnings per 25p share of this carpet manufacturer and kraft yarn spinner and weaver are stated at 3.08p (loss 12.11p). Depreciation costs for the year came to £20,000 (£15,000); directors' remuneration took £19,000 (£29,000), leaving costs were £7,000 (£11,000), and interest charge totalled £38,000 (£70,000).

There was no tax charge. Last year saw an exceptional credit of £11,000.

Berry Pacific (Sterling) at £49,896

Net income of the Berry Pacific (Sterling) Fund for the three months to June 30 1982 came to £49,896, compared with £173,992 last time. No dividend is proposed. This Channel Islands-based concern is an open-ended investment company which provides UK residents a medium to invest in the Berry Pacific Fund of Bermuda without having to borrow foreign currency.

Berry Pacific Fund in turn is an open-ended investment company most of whose assets are invested in securities listed on Japanese stock exchanges. Net assets at offer valuation equivalent to all shareholders' equity as at June 30 were £14,96m, while the value of shares held in the Berry Pacific Fund amounted to £14.74m representing 23.09 per cent of the issued shares, against 23.21 per cent last time.

RANK SALE
Rank Organisation has sold its Wharfedale hi-fi loudspeaker manufacturing operation for an undisclosed sum to Tradewest, a newly formed UK company. The operation was closed by Rank on July 23.

Deputy chairman for General Accident

Mr David A. Blake has been appointed a deputy chairman of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION. He is a former chief general manager and has been a director since 1971.

Mr H. Eugene Lockhart joins THE BOWRING GROUP on August 16 as group director—management services. He will have full functional responsibility for all systems and communications throughout the group. Mr Lockhart was previously managing principal—Europe of Nolan Norton and Co., management consultants.

Mr Barry Pala, Chief Constable of Kent, has been appointed an Inspector of Constabulary and will serve as commander of the POLICE STAFF COLLEGE, Bramshill. He will succeed Sir Kenneth Newman, who becomes Metro-politan Police Commissioner in October. Mr Pala has been Chief Constable of Kent since 1974. He joined Birmingham City Police in 1961, becoming Chief of the Association of Chief Police Officers.

Mr P. L. Rume has retired as deputy chairman of MORGANITE INTERNATIONAL.

Mr T. L. F. Rayle has been appointed chairman of CONTROL RISKS GROUP. This company

Top posts created at ANZ Bank

ANZ BANK, Melbourne, has made changes to its management structure: Two chief general manager posts have been created as the next most senior posts for corporate and international banking activities. Mr John Hagarth has been appointed general manager of Esanda, ANZ's main finance subsidiary. Mr Hagarth is deputy general manager of Esanda. Mr P. G. Gilbert has been appointed general manager of the bank's New Zealand banking subsidiary to replace Mr Nicolson who is one of the new general managers in the Melbourne headquarters.

Mr Paul L. Klein has joined Playboy as the president of Playboy Cable Network. Mr W. Russell Barry, president of Playboy Productions, has resigned but will continue to work with Playboy to aid Mr Klein in the transition and to complete development work on several potential television network projects that originated under his direction.

Deputy chairman for General Accident

been appointed director Euro-pean operations, Capital/EMI America/Liberty Records Group to succeed Mr Kiek Klumhilde who



Mr Mike Edwards, director of European operations of Capital/EMI America/Liberty Records Group

becomes managing director, EMI Austria. To succeed Mr Edwards from September 8 as general manager of the Advisory Council for Applied Research and Development (ACARD) in succession to the late Dr Alfred

Mr Douglas Spinks, chief accountant with South West Gas at Kayman for the last two years, has taken over as director of finance with SOUTHERN GAS at the Southampton headquarters. Before joining South West Gas, Mr Spinks was chief accountant administration with British Gas in London.

Three main board members have been appointed to ILL AND DELAMAIN. Mr Patrick Burke, previously director and general manager—air cargo division, becomes director responsible for Africa and shipping. Mr Cyril Howard, who joined the company in April as group commercial manager-designate, becomes director responsible for H-D Cargo UK. Mr Walter Nahr, managing director of H-D, Hong Kong since 1977, becomes director responsible for the

end of 1982. The company are to be made a part of international agreement with the prime contracting responsibility of TRI, working with Siemens and Marconi under a main contract of MBB.

Mr Bernard Winsor has been appointed managing director of DEVON CONVERSIONS. He takes over from Mr Ray Dillon who has left Devon Conversions having bought a chain of garages in the West Country, previously owned by Devon's sister company, within the Renwick Group.

printers and systems software. They will be used to provide enhanced data processing facilities in each of the 37 branch offices of Rentokil's pest control division throughout the UK, and at the Group's head office in East Grinstead, Sussex.

THE BRITISH garrison stationed for the Falkland Islands are to use portable accommodation units from WYSEPLAN of Wrexham. Some of the garrison will shortly be housed in 125 of a total of 205 accommodation units which were shipped to Port Stanley in mid-July. The remaining 80 units are ready for shipment.

BARLAND SIMON (1980) has been awarded contracts worth over £750,000 for the supply, refurbishing, installation, and commissioning of electrical equipment to be installed at Ellesmere Port by Consolidated Refinery on the Bridgewater project. The equipment will be used in the manufacture of new spirit on the site which has been acquired from Bowater UK Paper Co.

THE SWISS RANK CORPORATION has ordered a second Tandem NonStop computer-based ADS 366 message switch system from SPL INTERNATIONAL for installation at the bank's headquarters in Basel.

Funded at £240,000 this contract will be used for development, testing, and training throughout 1982 before being shipped to another installation site in Switzerland early next year.

INTERNATIONAL APPOINTMENTS

Mr Reinald J. DeLille has been named president of MERRILL LYNCH METALS INC., a wholly-owned subsidiary of Merrill Lynch Commodities Inc. Mr Victor Stone, vice president and director, is joining Merrill Lynch Metals, who temporarily held the titles of both president and chairman of Merrill Lynch Metals, will continue as chairman. Before joining Merrill Lynch Metals, Mr DeLille was president and owner of Mint Metals and Minerals Inc., of New York City.

Mr Lawrence J. McCabe has been elected vice president-associate general counsel of H. J. HEINZ COMPANY. He was director of legal affairs.

TEXASGULF INC has made the following changes: Mr Thomas J. Wright, vice president of Texasgulf and president of Texasgulf Chemicals based in Raleigh, N.C., has been elected senior vice president of Texasgulf. Mr Michael A. Raper, president of El Aquitaine, Inc., will become a senior vice president of Texasgulf and chief financial officer on October 2. He will assume the responsibilities currently held by Mr Walter F. Meyer, senior vice president and chief financial officer, who will retire on October 1.

BUHRMANN-TETTERODE NV is to appoint Dr J.K.A. Vervoort as a member of the board of managing directors from November 1 responsible for distributive trade and publishing. Since 1980 he has been a member of the board of managing directors of Samas Groep NV.

CONTRACTS

Big job in Venezuela
WORLEY ENGINEERING has been engaged by Maraven SA, a subsidiary of Petrolas de Venezuela SA, to provide assistance in the project management and technical development aspects of its Bachaquero heavy lift project, located south-east of Lake Maracaibo in the state of Zulia. This will use steam injection to increase production from approximately 30,000 b/d of heavy crude and 22m cu ft a day of associated gas to a maximum potential of about 300,000 b/d crude and 100 mrd of gas. The current estimated cost of the facilities exceeds \$350m (£199.7m) to be expended over a period of four to five years. Detailed engineering, procurement and construction management for the steam injection, crude/gas collecting and gas sales facilities will be performed by four Venezuelan engineering companies under the supervision of the Maraven/Worley project management team in Maracaibo, Venezuela. Working engineer is a member of the William Press Group.

A CONTRACT to make several thousand subsystems of the MIRA (thermal camera) for the MILAN anti-tank missile has been placed with MARCONI SPACE AND DEFENCE SYSTEMS. The initial batch is for 500 systems, for delivery by mid-1983, with the rest to be delivered by the

Albright & Wilson Ltd 1982 HALF YEAR RESULTS

Trading remained flat during the first 6 months of 1982. There was an improvement in volume and margins of UK exports but home sales volumes were lower. Overseas operations continued to be satisfactory although there was some reduction in

Table with columns for 1981 (1st 6 Months, 2nd 6 Months) and 1982 (1st 6 Months). Rows include Sales, Trading Profit, Interest payable less receivable, Profit Before Taxation, Taxation, Minority Interests, Profit attributable to Stockholders before extraordinary items.

NOTES:
1. Taxation comprised:
Overseas £2,132,000 (1981: £2,003,000) UK £26,000 (1981: nil)
2. Extraordinary items amounted to losses of £2,359,000 (1981: profits £7,335,000) mainly a provision for loss on disposal of the Bush Boake Allen flavour & fragrance business. The profits in 1981 mainly comprised an increase in the sterling value of overseas fixed assets less long-term liabilities.

ALBRIGHT & WILSON International in chemicals
1 Knightsbridge Green, London SW1X 7QD.

RATCLIFFS (Great Bridge) PLC. Logo with diamond shape and text 'BRASS COPPER RATCLIFFS QUALITY STEEL'.

THE TRING HALL USM-INDEX
126.2 (no change)
Close of business 12/8/82
Tel: 01-638 1591
BASE DATE 10/11/80 100

LADBROKE INDEX
340-345 (-2)

INTERIM REPORT TO SHAREHOLDERS 1982
The unaudited group earnings for the six months to 30th June were as follows:

Table with columns for Half Year to 30.6.1982, Half Year to 30.6.1981, Full Year 1981. Rows include Group Sales, Earnings (Loss) Gross, Parent Company, Subsidiary, Estimated Taxation, Earnings (Loss) Net.

The above figures are written under the historic cost convention

CHAIRMAN'S COMMENTS
GREAT BRIDGE
Prospects at the start of the first quarter looked reasonably encouraging but conditions since March 1st have got progressively worse involving slack schedule and short time working. There is every indication of further deterioration in prospect for the second half.

CANADA
After a 10 week period of short time working in the first quarter, Canadian subsidiary was able to stage a brilliant recovery in the 2nd quarter. Prospects for the 2nd half are clouded by the possibility of labour contract strikes in the Canadian auto industry.

DIVIDENDS
The board has declared an interim dividend of 8.75p (8.75p) per ordinary share payable on 1st November to shareholders on the register at 10th September 1982.

12th August, 1982. F.F. Ratcliff Chairman.

Big job in Venezuela

WORLEY ENGINEERING has been engaged by Maraven SA, a subsidiary of Petrolas de Venezuela SA, to provide assistance in the project management and technical development aspects of its Bachaquero heavy lift project, located south-east of Lake Maracaibo in the state of Zulia. This will use steam injection to increase production from approximately 30,000 b/d of heavy crude and 22m cu ft a day of associated gas to a maximum potential of about 300,000 b/d crude and 100 mrd of gas. The current estimated cost of the facilities exceeds \$350m (£199.7m) to be expended over a period of four to five years. Detailed engineering, procurement and construction management for the steam injection, crude/gas collecting and gas sales facilities will be performed by four Venezuelan engineering companies under the supervision of the Maraven/Worley project management team in Maracaibo, Venezuela. Working engineer is a member of the William Press Group.

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'Long-term prospects remain excellent, short-term prospects better than a year ago'

We have opened 16 new branches since last year and a further 17 are planned for this financial year. The country has now been in recession for 2½ years and one must be careful when forecasting in case early signs of improvement fail to be sustained. There are signs of an improvement—nothing dramatic but nevertheless very welcome. Housing starts, particularly in the private sector, show a welcome increase against last year and they highlight the continued increase in timber frame housing. Timber stocks throughout the country are more in balance with demand than for a very long time. There is little or no likelihood of stock losses with timber prices generally firming.

are 40 or more years old. The long-term prospects remain excellent; the short-term prospects are better than a year ago and provided that the current trends continue, we will have a better year.

Table with columns for S. Oxford, Chairman. Rows include Salient figures—year ended (31.3.82, 31.3.81), Group turnover, Group profit before taxation, Group profit after taxation, Dividends per ordinary share of 25p, Earnings per ordinary share of 25p, Capitalisation issue of 1 new ordinary share for every 2 held.

Magnet Southernns FOR ALL THAT'S GOOD IN WOOD

UTAH DEAL WILL BOOST CRUDE RESERVES

Mobil in joint oil production venture

BY PAUL BETTS IN NEW YORK
MOBIL, THE second largest U.S. oil company, has agreed to acquire a 50 per cent working interest in a portion of the oil holdings of Anschutz Corporation, a privately held Denver-based company.

exploration leases from Anschutz.
The move by Mobil is part of a growing trend in the U.S. oil industry which is seeing the oil majors teaming up with smaller concerns in joint production deals. The trends stem from the current cash problems of the smaller companies.

major oil taker, and thus started negotiating a long string of cash for production agreements with production companies.
The current oil glut, high exploration costs, and a squeeze on cash flow has been causing growing problems for smaller energy concerns.

Chapter 11 group owes Crocker \$32.7m

By Paul Taylor in New York
CROCKER NATIONAL Bank, the California-based bank which is 54 per cent owned by Highland Bank of the UK, yesterday confirmed that it has \$32.7m in loans outstanding to a Houston-based oil equipment company which has filed for protection under Chapter 11 of the U.S. bankruptcy code.

Italian railway withdraws Swiss franc Eurobond

By Alan Friedman
FERROVIE DELLO STATO, the Italian state railway, had withdrawn a planned SwFr 100m foreign bond issue because of terms demanded by Swiss managers were seen as too high.

Elsewhere in the Swiss franc foreign bond sector, prices closed unchanged yesterday after a day of quiet trading. A SwFr 100m nine-year issue is being launched for the Swedish Export Credit Corporation (SEK) through Credit Suisse. Indicated yield is 7 1/2 per cent.

Interest costs hit Genstar

By Our Financial Staff
HIGH INTEREST charges and the depressed real estate market left Genstar, the Canadian-based financial services, real estate and construction materials group, with a loss in the second quarter.

U.S. Woolworth still in the red

BY OUR NEW YORK STAFF
F. W. WOOLWORTH, the U.S. retailing giant, continues to operate in the red. The company reported yesterday that it made a net loss of \$9m, equal to 31 cents a share, in the second quarter of this year, which brings its net loss for the first half to \$25m, or 87 cents a share.

The consolidated companies actually incurred a second quarter loss of \$8m compared with a profit of \$4m in the same period of 1981. Woolworth lost \$2m in equity income from its British subsidiary but this was partially offset by equity income of \$1m from its Mexican subsidiary.

Colt provision leads to loss

By Our Financial Staff
COLT INDUSTRIES, the diversified industrial products company, disclosed that it has made a provision of \$193m in its second quarter figures for the disposal of its Crucible Stainless and Alloy Division.

KLM lifts second-quarter profits

BY WALTER ELLIS IN AMSTERDAM
LARGE-SCALE gains on foreign exchange dealings have enabled KLM, the Dutch state airline, to record a net profit for the three months April-June this year of Fl 33.5m (\$11.7m) - a 55 per cent increase on the same period in 1981.

Profits for the third quarter to September are expected to be high, with the dollar firm and with extra flights and charters to keep the cash coming in. But with the onset of winter, business will slacken.

Sama seeks debts claims on Saudi money changer

By Our Euromarkets Staff
THE SAUDI Arabian Monetary Agency (Sama) has asked foreign banks and companies involved with Abdullah Saleh Al-Rajhi, the Saudi money changer, to submit formal claims for debts in writing.

Daii bond rescheduling

By Our Euromarkets Staff
DAIEI, Japan's largest retailer, is seeking a rare Eurobond rescheduling in order to avert foreign exchange losses. It is trying to extend a five-year SwFr 100m private placement, arranged in May 1977 for another five years, according to Daii Securities, lead-manager of the placement.

Sama seeks debts claims on Saudi money changer

claims on the Saudi money changer, are Kredietbank of Belgium, which is seeking more than \$250m as a result of silver bullion speculation losses and financing costs. The Bangkok Bank, Lloyds Bank International and National Westminster Bank are among Abdullah Saleh Al-Rajhi's other creditors.

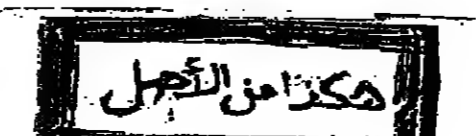
NEW ISSUE
These Debentures have not been registered under the Securities Act of 1933 of the United States of America and may not be offered or sold in the United States or to nationals or residents thereof. These Debentures having been sold, this announcement appears as a matter of record only.

Advertisement for Southern California Edison Finance Company N.V. featuring a large 'SCE' logo and financial details. Text includes 'U.S. \$50,000,000', 'Southern California Edison Finance Company N.V.', '12 1/2% Convertible Subordinated Debentures Due 1997', and a list of international banks.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday August 18.

Table of international bond issues with columns for U.S. Dollar, Straights, Floating Rate, and Convertible bonds. Includes details like 'Aetna 15 1/2 8/27', 'Amex Int. Fin. 10 1/2 3/27', etc.



Companies and Markets INTL. COMPANIES & FINANCE

Handwritten note in Arabic script: "سكوا ايوال"

WestLB well ahead but warns on AEG loans

BY STEWART FLEMING IN FRANKFURT

WESTDEUTSCHE Landesbank, the third largest German bank, reports sharply increased operating earnings for the first half of the current year.

The bank said that, partly as a result of falling interest rates and improving lending margins, operating earnings (which would exclude loan and securities write-offs) rose to DM 194m (US\$77m) in the half-year to June.

WestLB is one of the leaders in the consortium of 22 mainly West German banks which has some DM 3bn of unsecured credit out to AEG-Telefunken, 60 per cent of which will have to be written off assuming the settlement proceedings for the company come into effect.

cent share, followed by Deutsche Bank (12.46 per cent), WestLB (12.19 per cent) and Commerzbank (8.55 per cent).

The bank pointed out that it had put aside strong provisions against loan losses last year, and had built a special reserve of DM 234m in its 1981 accounts. It could also draw on earnings this year to cover potential loan losses.

But it is not clear at this stage what impact it will have on the dividend policies of one or two of the larger and least profitable banks.

Resignation of Consob chief takes bourse by surprise

By Rupert Cornwell in Rome

THE SURPRISE resignation of Professor Guido Rossi, head of the Consob, the Milan bourse authority, has created new uncertainty in Italian financial circles, still badly shaken by the Banco Ambrosiano affair.

The departure of the Harvard-trained Professor Rossi, who has wrought considerable changes to the Milan stock market during his 18 months at the Consob, has still not been fully explained, although it appears to have been triggered by the government's decision to put the troubled Milan bank into compulsory liquidation.

His decision was last night being said to be irrevocable — despite pleas both by Sig Giovanni Spadolini, the Prime Minister, and Sig Nino Andreatta, the Treasury Minister, that he reconsider the move.

Sig Michele di Giesi, the Labour Minister and an ex-officio member of the government's credit committee which took the decision on Ambrosiano a week ago, indicated that Professor Rossi had opened legal proceedings against Dr Carlo Ciampi, the



When you're a leader in Dutch insurance you're well placed to seek wider horizons

In 12 years, we've grown to be one of The Netherlands' largest insurance companies. And from that strong and profitable base, we've launched out around the world. Our latest major initiative has been the acquisition of the fifty-five year old National Old Line Insurance Company of Little Rock, Arkansas, to spearhead our expansion in the North American life assurance and health products market.

Our broadly based activities include life assurance (53%), general and re-insurance (37%), and non-insurance, but related, activities including mortgages, property development and holiday centres (10%).



U.S. \$25,000,000 7 1/2% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1988/1992



In accordance with the provisions in Article XXI of the Trust Agreement the undersigned declares — That in 1981 Ennia N.V. complied with all the obligations laid down in the Trust Agreement; — That in 1981 the conversion rate of 20.880 Bearer Depository Receipts per Debenture of U.S. \$1,000 nominal remained unchanged;

The Trustee: N.V. Nederlandsch Administratieven Trustkantoor Amsterdam, August 3, 1982

Sharply-reduced loss at Hertie

BY JONATHAN CARR IN BONN

HERTIE, one of West Germany's biggest department store groups, markedly cut its losses in the first half of this year and hopes for a continuing improvement despite the weak demand afflicting the retail trade.

He said that by cutting unprofitable product lines and laying stress on high quality goods, Hertie had reduced group losses last year to DM 30m (\$11.9m) from DM 70m in 1980.

Depressed by the economic recession and cautious consumer spending, Hertie's turnover fell by 4.4 per cent last year to DM 6.2bn. Herr Lipp-

mann estimated that had Hertie been able to maintain sales at the 1980 level, the group would have been out of the red altogether.

He warned that the solution to the retail trade's problems did not lie in trying to boost sales through lower quality articles at cheap prices. "The customer has become more choosy and prefers now-adays to take two shirts at DM 50 each than three at DM 33," Herr Lippmann said.

Mid-term downturn for Kanhyam

By Our Johannesburg Correspondent

KANHYAM, THE South African farming combine, which is 51 per cent owned by General Mining Union Corporation, suffered a 9.1 per cent fall in attributable net profits to R5.3m (\$7.2m) for the six months ended July 30.

Earlier in the year, Kanhyam stepped up its holding in Karroo from 51 per cent to 100 per cent, and the subsidiary was delisted from the Johannesburg Stock Exchange in March.

In his 1981 annual review, Dr Wim de Villiers, the chairman, forecast earnings for the full year of around 180 cents a share on the increased capital. The directors now say that, although trading conditions should improve in the second half, there is little chance of meeting the forecast.

ASEA lifts interim profit despite deficit at Flakt

BY WILLIAM DULLFORCE IN STOCKHOLM

ASEA, the Swedish electrical engineering group, improved its earnings by almost 40 per cent from SKr 276m to SKr 386m (\$62.3m) in the first half of the year. The increase is even larger — to SKr 407m — if the results of the Flakt industrial ventilation company incorporated into the group in the second half of 1981, are excluded.

Group sales advanced from SKr 6.8bn to SKr 10.0bn including Flakt or by 19 per cent to just over SKr 8bn for the original ASEA group. First-half sales last year were boosted by the delivery of a nuclear power plant.

Demand for ASEA products continued to be weak during the first six months of this year, affecting sales of standard equipment in particular. Slack demand, however, was offset by deeper market penetration, especially outside Europe and

increased project deliveries. Mr Perwy Barnevik, the managing director said.

The poor business climate will continue to prevail in most of ASEA's markets during the second half, but group earnings are forecast to exceed the SKr 855m achieved last year. The improvement in first-half earnings is attributed to higher profit margins, restructuring, and income from newly-acquired subsidiaries. The group's operating profit climbed from SKr 180m to SKr 45m but a net interest income of SKr 28m in the first half of 1981 slumped to a net loss of SKr 75m.

The return on total capital increased from 12.1 per cent to 14.9 per cent, excluding Flakt, or to 14.4 per cent with Flakt. This compares with the target of at least 20 per cent at current inflation rates set by Mr Barnevik in the last annual report.

ANI plans A\$60m rights

AUSTRALIAN National Industries plans to raise A\$58.70m (U.S.\$38.4m) through a one-for-two non-convertible rights issue at A\$1.60 per share, Reuter reports from Sydney.

The diversified engineering group will shortly announce 1981-82 earnings some 25 per cent above the A\$23.49m for the year ended June 1981 and plans a final dividend of 9 cents, compared with 7.8 cents, making a total 15 cents against 13.5 cents.

It expects further profit growth in 1982-83 and is confident that the new dividend level will be maintained on the increased capital of 112.32m shares.

The new shares will rank for half of the 1982-83 interim dividend scheduled for April next year and will rank equally with existing shares thereafter. ANI sees opportunities ahead for significant expansion both inside Australia and abroad.



Professor Guido Rossi

governor of the central bank, in connection with the liquidation decree. The Bank of Italy later expressed surprise at the news. But it has been enough to stir apprehensions over possible new disruptive repercussions from what has already emerged as the country's gravest financial scandal since the war.

Professor Rossi's main concern throughout his tenure was to modernise the Milan bourse and force a greater disclosure of information by quoted companies.

Last year he was attacked for the emergency measures he took to stem a drastic decline in activity on the Milan bourse, which his critics argued only exacerbated the situation. He has also been under fire for pushing Banco Ambrosiano into a full Milan bourse listing in May, a month before it was placed in the hands of commissioners.

Professor Rossi has campaigned ceaselessly to bring Italian accounting practices into line with EEC norms. Dealing procedures on the bourse have been improved, and he has enlarged the number of quoted companies, despite ordering the removal of others from the official list, on the grounds that they were "dead wood."

But for a long while Professor Rossi had complained about the obstacles placed in the path of the Consob's efficient functioning and the lack of commitment by the Government to the bourse reform to which it paid constant lip-service. For that reason the Ambrosiano affair may be by no means the only reason for his resignation.

Mitsubishi Petrochemical deeper in red

BY OUR FINANCIAL STAFF

MITSUBISHI Petrochemical, Japan's largest ethylene producer, has reported a further deterioration in its performance. It suffered a net unconsolidated loss for the six months ended June of Y9,180n (\$95m) against a deficit of Y2,860n a year earlier.

The company said weak demand and soft prices affecting the entire Japanese petro-

chemical industry were responsible for the losses.

The downturn was most marked in ethylene-based products which account for 45 per cent of the company's sales. Sales of this product group fell by 7.7 per cent to Y75,90n. Sumitomo Chemical, one of Japan's leading diversified chemical companies, has suffered a plunge in profits in the

first half. Parent company net profits fell by 88 per cent to Y160m from Y1,180n. Sales edged ahead to Y319,150n from Y317,640n.

The sharp drop reflected, however, a Y7.4bn extraordinary loss from the winding up of Sumitomo Aluminium Smelting. Pre-tax profits excluding the item turned round to Y2,410n from a loss of Y1,910n

European Brazilian Bank Limited

INCREASE IN CAPITAL Eurobraz increased its share capital to £21,600,000 on 5th August 1982 by the capitalisation of £3,600,000 from reserves. A bonus issue of 3,600,000 ordinary shares of £1 each was subsequently made to shareholders, representing a 20% stock dividend.

INTERIM CASH DIVIDEND Eurobraz is pleased to announce the payment of an interim dividend of 5% for the current financial year on its issued share capital on 12th August 1982.

The Shareholders are: Banco do Brasil S.A. Bank of America Group The Dai-ichi Kangyo Bank, Limited Deutsche Bank A.G. Union Bank of Switzerland



CURACAO DEPOSITARY RECEIPTS OF ORDINARY SHARES SANYO ELECTRIC CO., LTD. The undersigned, acting as duly authorised Agent of Garneth Administration Company N.V., announce that the above-mentioned company has made an interim dividend distribution of Yen 3.30 per share in cash for the financial year ending 30th November 1982.

Pacific Gas and Electric Finance Company N.V. (Incorporated with limited liability in the Netherlands Antilles) 14 3/4% Guaranteed Debentures Due 1990 Unconditionally guaranteed as to payment of principal, premium, if any, and interest by Pacific Gas and Electric Company (Incorporated in California) The following have agreed to subscribe or procure subscribers for the Debentures: Credit Suisse First Boston Limited, Algemene Bank Nederland N.V., Bank of America International Limited, etc.

COMMODITIES AND AGRICULTURE

Danes sell more butter in Britain

DANISH butter won a bigger share of Britain's shrinking butter market in the first half of this year, reports Richard Money. In spite of an 11 per cent decline on the overall market...

Eli Li inquiri arthri

THE U.S. SE a feverish call for the necessary, it contain Cuba Latin Americ After some senators add effect that it to provide with authori the region u Powers Act. But opposi still compari the Gulf of use d by Johnson to U.S. involve the mid-1960: Before the Senator Jess wing Repub Carolina, sai

U.S. SUGARBET output this season is estimated at 21.699m short tons against 27.408m (tapa last year, giving a yield per acre harvested of 20.7 tons (22.3). Sugar cane production is estimated at 25.613m tons against 27.408m tons with a yield of 37.9 short tons (36.3).

UK COPPER consumption rose to 46,233 tonnes in June against 38,951 tonnes in June last year, according to World Bureau of Metal Statistics figures.

Stockpile move lifts copper

COPPER prices rose strongly on the London Metal Exchange yesterday following news that the U.S. Senate had passed legislation requiring the Federal government to buy copper for the strategic stockpile. However traders claimed that there would be little, if any, immediate impact but provided an excuse to cover positions in an oversold market. More significant was the fact that the gap between the higher-grade cash price and the three months quotation has narrowed further. Cash copper closed £22.5 up at £31.1 while three months was £18.25 higher at £35.5 a tonne. This is believed to reflect continuing reports that the Chinese will be taking actual delivery of forward purchases made, which may result in a technical squeeze on available supplies. NANCY DUNNE in Washington writes: The provision passed by the U.S. Senate to order the purchase of copper for the government's strategic stockpile faces many hurdles before it would actually take effect. The legislation, pushed by mining state senators would set aside solely for the purchase of copper all funds received from the sales of stockpiled materials between July 31 this year and October 1, 1983. The measure, which passed by a 55 to 40 vote as part of a supplemental appropriations bill, is headed towards a Senate-House conference. The House has passed a similar legislation, and Hill staff members cannot predict what will happen to the copper provision in the house-ratting to follow. The stockpile has only 28,000 tonnes of copper at present, 3 per cent of its 1m tonne goal.

Unsteady tin market predicted

THE TIN market could be excessively weak during the next two or three months, but thereafter the price will rise rapidly as export quotas begin to hit and the buffer stock of the International Tin Council regains control. That is the conclusion reached by Hargreaves Williams London metals research unit of Shearson/American Express, in its annual review of the tin industry, 1982-83. It predicts that London prices could fall as low as \$5,500 a tonne before rising to over \$7,500. The review forecasts that export controls will be in effect until at least the end of 1985, since it will take some years to stimulate the present high stocks of tin. However, although export controls may control the size of the surplus, they will do nothing to control flagging consumption levels. The artificially high price caused by the mysterious buying group earlier this year has created massive surpluses of tin metal, the review points out, seriously damaged consumption and nearly wrecked the International Tin Agreement. Looking at the supply/demand picture, it is calculated that the export controls will reduce total tin supplies available to the market (disregarding U.S. stockpile sales) this year by 34,400 tonnes to 78,800 resulting in an effective deficit to demand of 9,200 tonnes. Further deficits are forecast for the next three years as the export controls force cuts in production instead of merely accumulating stocks of concentrates at the minehead. In the short term, the buffer stock is expected to come under pressure in the next few months as the mines rush to sell their export quotas as soon as possible. In addition forward purchases made by London brokers made on behalf of the buffer stock will fall due for payment in September.

U.S. export subsidies opposed

WASHINGTON - The U.S. Administration yesterday opposed a proposal in Congress to subsidize food exports on grounds it could lead to a trade war with Europe. Alan T. Tracy, deputy undersecretary for agriculture, told a joint hearing of the House foreign affairs and agricultural committees that the bill could increase food exports and compensate for subsidies paid by other countries. However, this subsidy could be matched by competitors, he warned, and could undermine U.S. efforts to persuade Europe and Brazil to lift food subsidies. "It could increase the possibility of an agricultural trade and credit war," Mr Tracy said. The U.S. opposes European Common Market subsidies for agriculture and is campaigning against EEC support for exports of wheat flour, pasta, canned fruit and raisins, poultry and sugar. It is pressing Brazil to ease subsidies for poultry exports. AP

Singapore tea auction growth

By P. C. Mahand in Calcutta A REVIEW of the business done over the first six months of operations of the Singapore tea auctions shows that it has succeeded in establishing itself as the world's second international tea trading centre. J. Thomas, the leading Indian tea broker and auctioneer, reports that over 800,000 kilos of tea were sold in Singapore in this period with the main offerings coming from India and Indonesia. Since April Kenya had been offering tea for auction while Bangladesh and Tanzania are reported to be considering doing so. The principal customers have been the U.K., North America, Japan, Australia, New Zealand and several West African states. Local buying has also been a feature of the auctions.

Colorado beetles found at port

By Our Commodities Staff LIVE Colorado beetles have been discovered on a cargo of Spanish timber at Newbaven port. The whole consignment is to be fumigated before it leaves the dock to prevent the pests, which pose a serious threat to potato crops, spreading into neighbouring farmland. The Ministry of Agriculture warned earlier this week that the risk of Colorado beetles being imported into Britain was higher than usual because of heavy infestations on the Continent. Farm workers and members of the public were asked to be especially vigilant. The Newhaven beetles were spotted by dock workers. The last breeding colony in Britain was destroyed in 1976, but fears rose again in April this year after normal levels. After 103 of the insects had been found on consignments of Italian spruce a temporary ban was placed on imports of all leafy vegetables from Italy.

FARMER'S VIEWPOINT Bumper crop with a sting in the tail

In spite of attempts by the Reagan Administration to reduce massive American grain surpluses, U.S. farmers will produce record grain and soybean crops this year, according to forecasts released by the Agriculture Department. Although the Administration has sought to convince farmers to keep 10 per cent of their land out of feed grain production and 15 per cent out of wheat production, farmers will harvest 8.32bn bushels of maize this year, 1 per cent from the record set in 1981. Production of soybeans will set a new high at 2.29bn bushels, up 13 per cent from last year. The spot price is \$28 per bushel. It should rise to \$3 and \$4 this autumn to get the grain to the intervention store and if care is taken that the moisture content and bushel weight are satisfactory, this must be the outlook. Last year a great deal of barley was exported to the help of EEC subsidies, but this outlet appears to be much less attractive. World markets are under pressure from very large stocks of Canadian and U.S. barley and feed grains at very low prices. This situation is potentially very serious, as last year's heavy exports were believed to have built up about 2.5m tonnes from the UK alone. But from July 1 until August 2 1982 in the EEC a total of only 268,000 tonnes of barley were awarded export refunds as against 1,198,000 tonnes for the same period in 1981. The latest export refund amounted to \$34 per tonne, as against \$14 in 1981. The UK barley market is threatened by the increasing importation of cereal substitutes - of which the most obvious is rapeseed for animal feed. Compounders here were slow to take advantage of the feeds, but have now jumped on the bandwagon and barley usage in animal feeds is dropping significantly. Every compounder now has access to a computer which works out a least cost formulation with all available supplies on a daily basis. Barley at present prices is out of court. I began harvesting wheat on August 2. The earliest I have done so except for the drought year of 1976. The variety was Avalon, about which I expressed anxiety in one of these articles because it seemed to have suffered a late attack of a variety of diseases. The yield was remarkably good, three tonnes to an acre on one field, and an average of 52 cwt an acre overall. The crop had most certainly died off prematurely, as other varieties are still not ripe at the time of writing, and I should think that what would have happened if the diseases had struck earlier. I have come to the conclusion that the Avalon simply died because of its root structure being damaged in the early drought. About 30 per cent of the British crop is of this variety, and merchants who had contracted for stocks of seed, have been worried that after the disease attacks their sales would vanish. As this is alleged to be a bread wheat and there is substantial reason for bread making wheat at a reasonable price compared with feed, I have taken a chance and put my money down, \$30, to see if it will pass. I have failed this test before, but on the law of averages I should get some in one day. As to the harvest outlook, I can only say that what looks to be the best wheat and barley this year is much better than last year. But there is a question mark over the spring barley. There is a long way to go before all is safely gathered in, and still, further before the money is in the bank. John Cherrington

PRICE CHANGES

Table with columns: Commodity, Previous Close, Business Done, Today's Close. Includes items like Wheat, Soybeans, Corn, etc.

AMERICAN MARKETS

Table with columns: Commodity, Price, Business Done. Includes items like Wheat, Soybeans, Corn, etc.

WEDNESDAY'S CLOSING PRICES

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EUROPEAN MARKETS

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FINANCIAL TIMES

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MEAT/FISH

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POTATOES

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LONDON OIL SPOT PRICES

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LONDON FUTURES

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FINANCIAL TIMES

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BRITISH COMMODITY MARKET

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COPPER

Table with columns: Copper Type, Price, Business Done. Includes Copper, etc.

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Table with columns: Cocoa Type, Price, Business Done. Includes Cocoa, etc.

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NICKEL

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SOYBEAN MEAL

Table with columns: Soybean Meal Type, Price, Business Done. Includes Soybean Meal, etc.

SUGAR

Table with columns: Sugar Type, Price, Business Done. Includes Sugar, etc.

GRAINS

Table with columns: Grain Type, Price, Business Done. Includes Wheat, Soybeans, etc.

WHEAT

Table with columns: Wheat Type, Price, Business Done. Includes Wheat, etc.

BARLEY

Table with columns: Barley Type, Price, Business Done. Includes Barley, etc.

WOL FUTURES

Table with columns: Wool Type, Price, Business Done. Includes Wool, etc.

COTTON

Table with columns: Cotton Type, Price, Business Done. Includes Cotton, etc.

RUBBER

Table with columns: Rubber Type, Price, Business Done. Includes Rubber, etc.

FINANCIAL TIMES SURVEY

Friday August 13, 1982

Jordan

Once more Jordan finds itself faced with yet another outbreak of Israeli-Palestinian hostilities. The assault on Beirut, along with the continuing Iraq-Iran war to the East, has put the country under heightened political pressure. It comes at a time when Jordan is still seeking to build a durable self-supporting economy.

In the grip of crisis again

By Anthony McDermott

IN AN area which has known such turbulence as the Middle East the fact that King Hussein has now been on the throne of Jordan for 30 years and kept the Hashemite Kingdom more or less intact is a formidable achievement. He is in fact the longest serving Arab head of state, challenged only by President Habib Bourguiba of Tunisia, who is almost twice his age.

Jordan through a wide range of crises — whether coup or assassination attempts or invasions and wars — and survived. At this time Jordan has probably never felt so politically squeezed. Partly this can be attributed to the comparative artificiality of its historical creation, to the effects of wars with Israel, to the fact that more than half its population are Palestinians (UNRWA put refugees and displaced persons on the East Bank at 930,467 at the end of last September), to its heavy dependence on outside financial aid and to its exposure to political events in the region.

Two crises in particular — the Iraq-Iran war and Israel's invasion of Lebanon and siege of Beirut — have brought heavy pressure. Of the two the Gulf War, not least because of Jordan's forthright support from the start of Iraq, is still the primary concern. Support for Iraq was untypical in that it represented a foreign policy initiative. In the past the hallmark of Jordan's foreign policy has been its defensiveness in reacting to circumstances and riding out blows. Part of the reason for King Hussein's decision to make this alliance was an historical view that the Persians, a traditional enemy of the Arabs, should be confronted.

He was concerned also about the effects of Khomeinist Iranian victory, not just on his ally Iraq but also on Saudi Arabia and other states on the Gulf. Even before Iraq's withdrawal from Iran and the latter's invasion last month, Jordan had felt some effects through the reduction of orders

from Jordanian private sector suppliers. (Against this must be set Iraq's continual supply of aid and use of and plans to expand the port, road and rail transit facilities.) Nevertheless, while Jordan is reasonably confident that the outcome of the Gulf War will not dangerously upset power balances in the region, the signs of deep short-term concern were apparent. King Hussein visited Baghdad for a seven-hour visit, exceptionally at the same time as his brother, Crown Prince Hassan and Regent in his absence, was away on an official visit to Turkey. The formation of a People's Army was announced on July 19 and the situation has been watched closely ever since.

Tensions

The Lebanese crisis has produced other tensions. Jordan shared with other Arab countries a sense of deep frustration and humiliation. It had no desire to be drawn into the fighting — directly or indirectly. Palestinian volunteers and a contingent from the Palestine Liberation Army (PLA), based in Jordan and virtually integrated into the army, were dispatched. King Hussein visited the wounded in hospital. Frustration was aimed at the U.S., through hostile editorials and diplomatic complaints, and particularly at some of the Arabs of the rich states of the Gulf. In June the king paid a long-planned and not particularly successful visit to the Soviet Union, from which it had obtained mobile Sam-8 anti-aircraft missiles in a \$200m deal. But Moscow was judged

to have been distinctly slow to help the Arabs. The encirclement of the Palestinians in Beirut raised the delicate issue of whether Jordan would, along with other Arab countries, be prepared to take in some of the trapped fighters. Because of the experience of 1970-71, when King Hussein and his army was able to crush a revolt by the Palestinians threatening to set up a virtual state within a state, Jordan has been extremely reluctant to entertain on its soil potentially radical Palestinian elements.

Indeed Jordan's overall caution towards the activities of the Palestinians is illustrated by the fact that one of the main tasks of its armed forces is to prevent guerrillas slipping across its frontiers to carry out operations against Israel or the West Bank. Earlier this summer a few incidents occurred but they were reckoned too mild by Israel to warrant retaliation.

Over the past decade Jordan's relations with the PLO have improved and to some extent bad memories have been overshadowed by events in Lebanon over the last six years. Together the Jordanian Government and the PLO administer a \$150m-a-year fund (allocated at the Baghdad Arab Summit of 1980) for projects on the occupied West Bank. Nevertheless, the wariness remains and at best Jordan is thought to be considering taking in up to 2,000 members of Fatah, the main Palestinian group, who are Jordanian passport holders and who have been carefully vetted. An additional concern is of course Israel itself. Statements

by Israel's leaders that the Palestinians already have a state — Jordan — aroused genuine fears that Israel might either politically or even by invasion try to bring this thesis about. The unexpected suggestion by Mr Begin in mid-July that Israel and Jordan should sign a peace treaty and form a two-state confederation and have access to Haifa port was called by officials "ridiculous" warrant retaliation.

A more serious and interesting side-effect was the semi-inognito visit on July 10-11 by Dr Osama El-Baz, President Mubarak's top political adviser. The most important part of his message was an Egyptian assurance of its rejection of the Israeli "Jordan is Palestine" line. It showed how Jordan and Egypt, despite diplomatic relations being broken since April 1979 in protest against the peace treaty with Israel, have been gradually becoming closer. King Hussein, along with King Hassan of Morocco, were the only two heads of state without relations to congratulate Egypt formally on the return of Sinai last April from Israeli occupation.

Frustration

This sense of frustration and impotence in Jordan (shared, it must be said, by all countries in the Arab world) has not led to serious repercussions in the country. Palestinians in the refugee camp of Al-Wahdat on the outskirts of Amman demonstrated but were kept carefully under control by security forces. But there are fears that one reaction might be an outbreak of terrorism or, because rela-

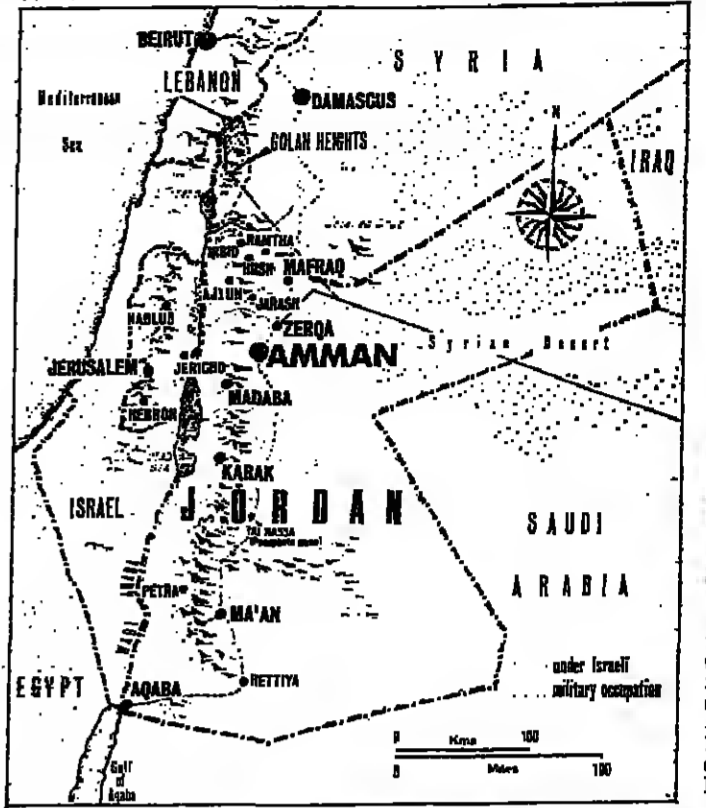
tions with Syria have continued to be bad, more frequent attempts to infiltrate guerrillas across the border to attack Israel.

It is also seen as a possibility that, as an echo of the despondence felt in Egypt after Israel's crushing victory in 1967, there might be a resurgence of Islamic fundamentalism, centred on the Moslem Brothers, who are not illegal but monitored closely. Already on the campus of the University of Jordan the number of girls wearing wimple-like veils has increased.

The reversion to fundamentalism could well be provoked also by the social divisions beginning to appear as Jordan develops economically and because of its position as a transit area for commerce and political ideas and as a business centre itself.

Amman, the capital, has become very much a city reflecting social contrasts. It has sprawled out of its crowded downtown area, with its beige stone buildings perched on its hills, on to rich agricultural land outside. There opulent villas are being built by the hundreds, bapily still with the same stone facings but on a scale which caused the Government to bring in some restrictions last summer.

Not far from this display of wealth are the houses of professional classes which have sprung up only in the last five years and overstretched the capacity of the municipality to provide more than water and electricity services. But there are also the refugee camps. Some have contained refugees since 1948 and after



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all these years they have an established but run-down atmosphere. But others, such as Al-Wahdat, have also more recent arrivals living on their fringes in desperate shacks beside open sewers, a ready breeding ground for the cholera epidemics which break out in the summers of most years.

In statistical terms, too, there have been worrying indications. A recently published study on "Poverty and Income Distribution in Jordan" found that 5.5 per cent of households surveyed reported monthly incomes of JD 50 or less and another 24.5 per cent between JD 50 and 100. By contrast, one-fifth of incomes sampled was earned by 6.2 per cent of the population (between JD 400 and JD 1,000 a month).

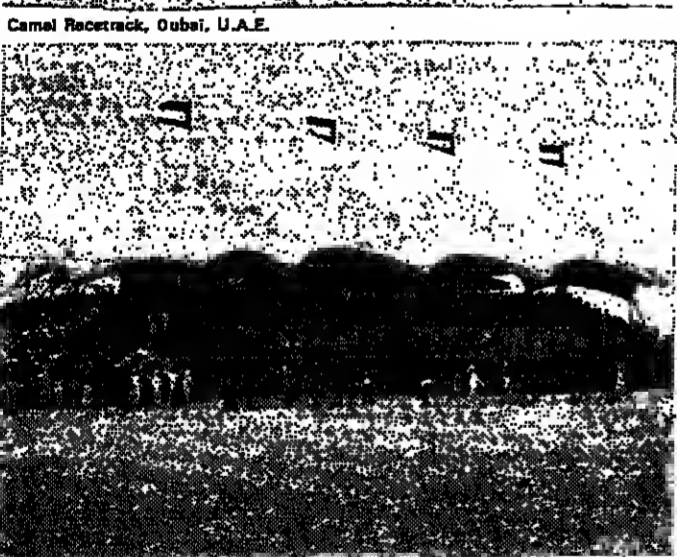
To some extent these developments are the sad but almost inevitable effects of economic development, especially under a Government which supports private enterprise. Jordan is now one year into a new five-year plan involving the ambitious investment of JD 3.3bn. Most analysts agree that the socio-economic priorities are about right (particularly the encouragement of women to join the workforce). But it is alarming that such a low key attitude is adopted to the population growth rate. In addition, the attainment of targets remains very heavily dependent on out-

side funds, especially from other Arab countries.

Jordan's survival as a state has been called into question frequently over the past decades — often with good reason. But Jordan may well turn out to be better prepared for turbulence ahead in the Arab world than its immediate neighbours.

If King Hussein's forecast is correct hard times are indeed ahead. In an interview with Time Magazine last month he said there "will be blood, disasters and human suffering" unless the Palestinian problem is solved. He said: "Even if Israel destroys Beirut and the Palestinians there, the Palestinian cause is not over." The reaction, he warned, would be "of such violence that it would not be limited to this area. It could be worldwide."

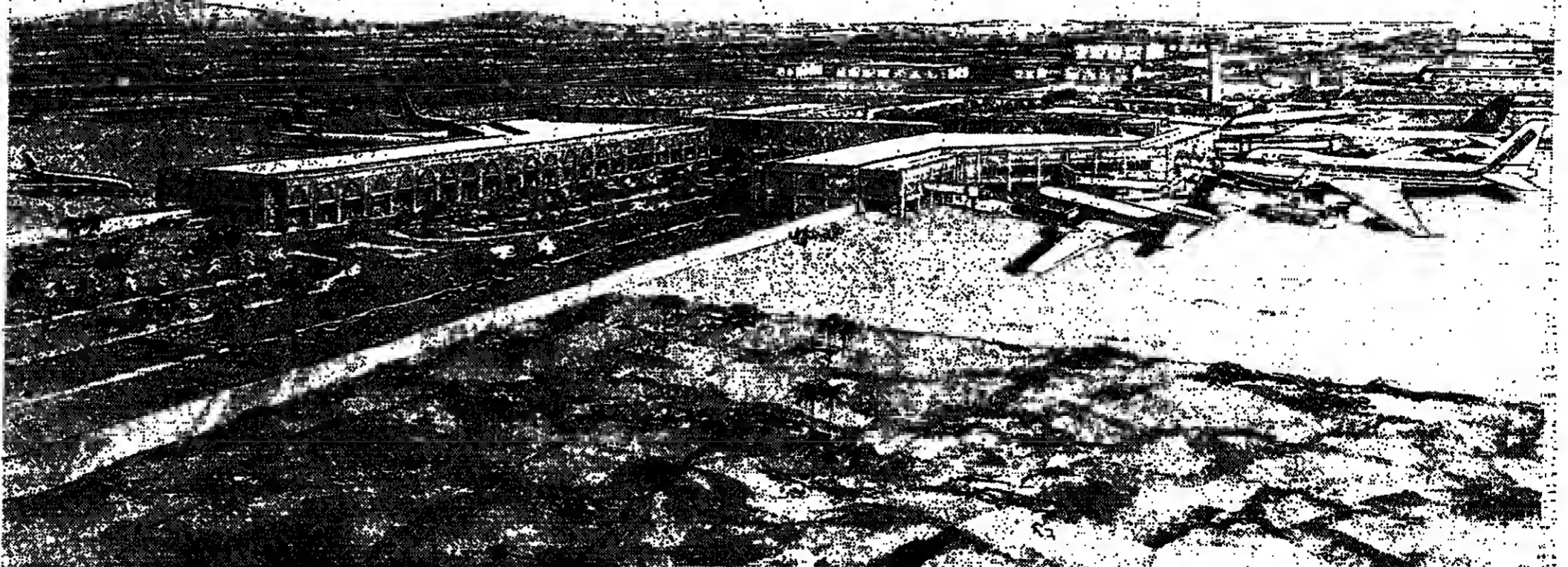
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JORDAN II

Plan aims to quadruple investment

Outwardly the economy is healthy but this is thanks largely to external aid and expatriate remittances

JORDAN'S ECONOMY, still continuing to show its resilience and ability to withstand the stresses and strains inflicted on the region by Israel's invasion of Lebanon and by the Gulf War, maintained during the 1976-80 development plan period a respectable growth rate in Gross Domestic Product of 8.5 per cent. Indications are that this was slightly improved in 1981 and that the improvement is being sustained.

The growth rate during the period of the plan was achieved despite the fact that between 1976 and 1979 agriculture suffered acutely from drought. An improvement in that sector in the past year, coupled with expansion in the manufacturing, construction and services sectors, enabled the overall growth rate to be attained.

Even if these three sectors increased their contribution to the economy to some extent at the expense of agriculture, it would be hard to detect yet the sort of fundamental changes required to make Jordan's economy, even in the long term, more productive and self-reliant.

The broad fundamentals of the economy have not changed. The comparative limitations of such natural resources as phosphates, tourism and a sophisticated emigrant labour force has induced a certain sense of realism as to what can or cannot be achieved. This is enshrined in the new development plan covering the years 1981 to 1985.

The crucial element in the balance of payments is the inflow of loans, aid, economic and technical aid. According to the official budget for 1982, aid of this sort has risen from \$208.7m in 1981 to an estimated \$241.4m for 1982. The main donors were Iran with \$50.6m—an increasingly important ally—Saudi Arabia's Development Fund (\$31.5m), the World Bank (\$35.7m), the Kuwait Fund for Arab Economic Development (\$25.5m) and Japan (\$25m).

The result is that Jordan has over the past few years recorded more or less consistently a balance of payments surplus. What has been causing some concern, however, is the fact that this balance of payments surplus has been showing signs of declining. During 1980 and 1981 surpluses of JD 35m and JD 44m were recorded; for this year the projected surplus is in the region of JD 30m.

The tourism sector by itself typifies some of Jordan's economic vulnerability in regional terms. One aspect is purely local and has to do with the definition of tourism income. It is something the Tourism Ministry has been working to clear up. The problem is that records for the inflow of funds cover not just genuine tourists but also slightly longer-term visitors from the Arabian peninsula, for example, and businessmen who may take a weekend off to see Aqaba, Petra, Madaba or Jerash. At the same time funds spent abroad include Jordanian tourists, a fairly minor item, but also the expenditure of students and the diplomatic service.

According to the Central Bank of Jordan (whose statistics differ somewhat from those of the Tourism Ministry), the "travel" surplus rose from JD 67m in 1980 to JD 67.3m in 1981 (of which JD 185.94m was made up of funds coming into Jordan and JD 121.55m of expenditures abroad).

Refugees

The number of visitors has risen from 1.2m in 1979 to 1.8m last year, of whom about three-quarters are from Arab countries. This year's figures could be up if the World Tourism Organisation's global estimates of a rise of about ten per cent are accurate—38 Jordanian tourists, for example, have been booked, for example, by the main tourist agency in Beirut, Lebanon.

The tactical aim over the next few years is to bring up the number of non-Arab visitors to equal those of the Arabs. In the shorter term—excepting the optimistic within the Tourism Ministry—there is concern that Jordan, with two more five-star and two more four-star hotels opening this year, may have over-estimated its capacity to attract visitors. Already the Sheraton chain, because of falling occupancy rates, could be withdrawing from Amman.

In addition, Jordan has been hit by its refusal to permit—on a reciprocal basis—tourists entering Israel to visit Jordan and then exit via Jordan. This has hit traffic in those tourists who would normally move from Israel across the occupied West Bank and its tourist sites to Amman before returning home.

But even allowing for these difficulties, the availability of funds for Jordan is considerable. Its gold and foreign exchange reserves, according to the Central Bank, are healthy, totalling JD 641.7m, and compare comfortably with both imports of goods and services and the trade deficit.

On a yearly basis the budget reflects again Jordan's dependence on outside sources of funds. Expenditures for 1982 are to total JD 765m, a 20 per cent increase over last year. Of this sum, according to Finance Minister Salem Mas'adeh, local revenues would provide 80.5 per cent of the estimated recurrent expenditures compared with 79 per cent the year before. Arab aid is expected to reach JD 280m (compared with JD 244m the year before).

The actual amount of aid and grants received is blurred by un-clearly defined defence expenditure (which between 1976 and 1980 accounted for an average of 41 per cent of current expenditures) and by the payment of the subventions agreed on at the Baghdad Arab Summit of November 1980 (convened in protest at Egypt's peace agreement with Israel). Under its terms Saudi Arabia, Kuwait, Libya, Iraq, Algeria, the United Arab Emirates and Qatar were to provide Jordan with a grant annually of \$1.25bn. However, in presenting the 1982 budget Mr Mas'adeh went out of his way to thank those countries (the majority and including Iraq in particular) who made up for the failure of Libya and Algeria to pay the commitments pledged at Baghdad.

Even though Jordan, through its economic and geographical position, is fairly heavily exposed to outside inflationary pressures, it has had considerable success in containing inflation within the country (though this has not meant that income disparities have been lessened).

Statistically the rate has remained in the region of about 12 per cent. The Government has been able to reduce some of the burdens through its own procurement programmes and subsidies (now affecting wheat, flour and petroleum products), by price fixing and through the operations of Government stores. During 1980-81 subsidies on sugar, rice and meat were eliminated. The subsidy on petroleum products fell from JD 41m in 1980 to JD 24m last year.

Jordan has had opportunities for serious long-term development planning only in the last decade because of the 1967 Arab-Israeli war, fighting across the Jordan River thereafter and above all the 1970-71 conflict with the Palestinians.

After the initial 1973-75 interim plan the first five-year plan came into action. Actual spending exceeded the target of JD 765m by some 10 per cent to reach JD843.7m, largely

because of the increase in private sector investment, which accounted for almost 60 per cent of all investments. The GDP growth rate—at 8.5 per cent—fell short of the 12 per cent target. But even if it did not succeed in reducing the dependence on foreign aid, the trade deficit or the growth of urbanisation, it did have some effect in spreading economic activity more broadly throughout the Kingdom.

The new plan is four times larger in terms of investment. The total has been raised from JD 2.6bn to JD 3.3bn. In broad terms it aims at a growth rate average of eleven per cent a year in GDP. In its presentation it is more comprehensive and clearer than previous plans. Officials are confident that Jordan will obtain the JD 1.6bn they are hoping for from foreign loans and technical assistance. Only in the areas of housing and health do they fear that sufficient finance from abroad might not be forthcoming.

Spill-over

The plan aims also to reduce the share of the services sector in the GDP from 61 per cent to 54 per cent over the plan period. Mining, manufacturing, electricity and water are to have their shares increased from 22 per cent to 31 per cent. In the first year preliminary figures indicate that the JD 67m has been allocated against the projected JD 20m, largely because of the spill-over of projects from the previous plan and an increase in private sector investment.

So long as funds coming into Jordan are not impaired, the Government's plans for the development of the country should not be unduly disturbed. But some signs remain that there is some way to go before development matches its goals.

The Gross National Product growth rate has been quite high but per head of population it is still only \$1,560. Moreover, among half of Jordan's families the average is less than two thirds of the overall level. It is short, income is distributed very unevenly and such consumption levels as are maintained—and to some extent the high dependence on outside, especially Arab aid, is underlined. This will remain a weak spot until some how the internal capacity for production is increased.

Anthony McDermott

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Population

Jordan remains heavily dependent on aid and grants from outside, which increased during the past few years have come from the Arab states rather than from the West. The urban concentrations of Amman, the capital, and of nearby Zerga and Irbid further north have not eased and now contain approaching half the East Bank population. The latter's growth rate for the country as a whole is 3.3 per cent a year, coming close to one of the highest in the world. Amman's net population growth rate, as a result largely of the influx of workers from the rural areas, is higher still at 4.6 per cent.

There is still employment and indeed over 100,000 immigrant workers are needed in some of the less skilled areas of the economy. The inflation rate, in official terms, remains

Big income from expatriate labour

JORDAN, with much help from its highly motivated Palestinian manpower, has a sizeable labour surplus. There is no unemployment as such but there are areas of shortage which are filled by immigrant labour. At the same time more than half Jordan's labour force, currently 580,000, works abroad.

At present there are some 120,000 foreigners working in Jordan, in 1981 they remitted JD55m (compared with JD50m in the previous year). Through the official banking system Jordanians working abroad remitted JD41m, up by almost a half on 1980's remittances of JD25m. Inofficially, the contribution to the economy may be double that recorded by the Central Bank of Jordan.

Judging by returns in May and June economists expect Jordanian remittances will show a further increase this year and that in the longer term, although the rises each year may not be so steep, a ratio of about seven to one will be maintained between the remittances of Jordanians abroad and foreign workers in the country.

As convenient and profitable as this labour balance may seem the Government is undertaking two drives to refine its own market further. The first is to attract more women into the labour market. The second is to encourage students to take vocational training instead of pursuing academic careers.

Emigration

The emigration of Jordanian workers started in earnest after the 1967 Arab-Israeli war and gathered further strength with the sharp rise in oil prices in the 1970s. Thus remittances were worth a mere JD9.25m in 1961, and then doubled over the previous year's figures in 1975 to amount to JD55.25m before attaining current levels. Of Jordan's estimated 310,000 workers, 40,000 work in Saudi Arabia (\$0.00) in Kuwait. Besides other areas in the Gulf, some 60,000 work in the U.S., West Germany, and to a lesser extent Britain.

According to Dr Jawad Anani, the Minister of Labour, "the demand structure has shifted from semi-skilled and skilled blue-collar workers." A study being compiled by the Royal Scientific Society (RSS) to be published later this year indicates that more than one quarter of current migrant workers are involved in sophisticated production and construction work, followed by teachers and clerical workers, each with about 19 per cent.

The contribution to Jordan's balance of payments has been striking. In 1975 remittances were worth more than exports from the first time. The RSS has calculated that between 1972 and 1979 there would have been a substantial balance of payments deficit in five years out of eight without them. Indeed, a surplus in 1979 of JD63.7m would have been a deficit of JD116.7m if none had come in and of JD26.5m if only half had been received.

The structure of Jordan's education system—there was a total of 742,285 students in 1979-80—is such that there are imbalances affecting both ends of the labour scale. With nine years of education compulsory, one result is that many students are emerging overqualified for some kinds of work: hence the imported labour, of which 75 per cent comes from Egypt and 20 per cent from India, Pakistan, the Philippines and Sri Lanka.

Under the terms of the 1981-85 plan it is proposed to create some 280,000 new jobs but as the net number of people joining the labour market annually is estimated at only about 25,000 there is still likely to be a shortfall of about 150,000. Some of this gap could be closed by the greater employment of women. Their participation in the labour force has risen from 12 per cent in 1975, the year after a Government campaign started, to a quarter last year. The aim by the end of the plan is 30 per cent.

There is no doubting the abilities of women to make a significant contribution to the work force. They account for 46 per cent of the student population as a whole, and a phenomenal 81 per cent of higher education (Jordan, with 120,000 pursuing this, has one of the highest proportions in terms of college education in the world). One element contributing to the high proportion of female university students is the reluctance of parents or guardians to permit them to travel abroad. In 1979-1980, Jordan had a total of 66,931 students in higher education abroad—mainly in Egypt with 24,239; Lebanon 9,830; the U.S. 6,112; the Soviet Union 4,500; Rumania 2,794 and Yugoslavia 2,261.

A study produced by the Ministry of Labour in December 1981 on female labour confirmed the trend towards more joining the market. Inflation, the need to supplement the family income and the avoidance of boredom were cited as main reasons. Over 80 per cent of those questioned wanted higher academic qualification, and another 10 per cent vocational training. Teaching was the most preferred but by no means the only profession. However, only half said they would continue to work after marriage (Muslims were slightly more conservative than Christians in attitudes towards women working). But the fact remains that according to Dr Anani, "most women quit work after two years of marriage in order to attend to family life."

At the top end of the education scale Jordan thus has an impressively well-qualified workforce. Indeed, in some sectors of medicine and engineering it can be argued that there is a surplus. To some extent this could be exacerbated by the expansion in the five year plan of the Universities of Jordan and Yarmouk, and less so Mut'ah (mainly a police college, "for civic and higher military education" under the terms of the March 1981 law).

To offset this top-heaviness, both the Ministries of Education and Labour, according to Dr Anani, are encouraging students between the ages of 15 to 18 to take vocational training instead of pursuing academic careers. The Vocational Training Cor-

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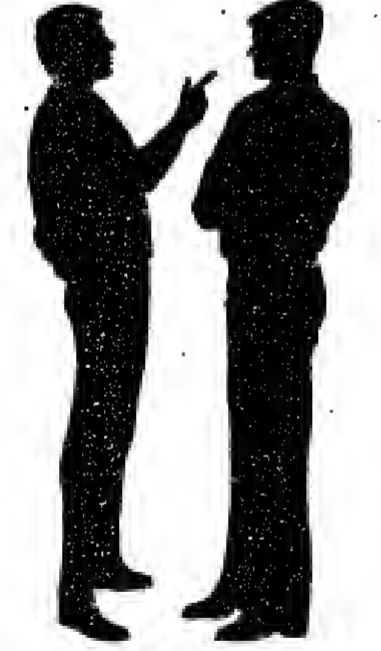
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سكواي الوطن

The country is an archaeological treasure house Rich in the vestiges of mankind

THE FOREIGN visitor to Jordan is always impressed by the intensity of economic activity throughout the country and by the seemingly improbable attempt by this small nation to play a role in the development of the Middle East region as a whole.

But that — as the antiquities of Jordan remind us constantly — has always been the hallmark of this strategically located land, and the visiting businessman or tourist would do well to take some time to explore its rich archaeological heritage. Not only is the experience in itself exciting, and often stunningly so, it provides a deeper understanding of what makes Jordanians the energetic, regionally-orientated people they are.

For its size Jordan may well be the world's richest and most complete archaeological repository. It boasts remains of mankind's past in a single amazingly unbroken sequence from about 500,000 years ago until today and therefore offers something of interest for all who wish to have a better understanding of the present by studying the past.

Two other factors that make archaeology in Jordan so stimulating are the rapid pace of new discoveries and the easy accessibility to major sites throughout the country.

It is routine to read weekly local newspaper accounts of discoveries of Roman tombs or Byzantine church mosaics or Hellenistic roads that have been uncovered during digging work on a new sewage project or highway. The pace of finds far outstrips the ability of the Department of Antiquities, headed by former University of Jordan Professor Dr Adnan Is'ad, to keep up with the most basic work that must be done in all cases to document and, if necessary, protect discoveries. There is such an awesome wealth of uncovered material already above ground that must be studied, preserved and restored that the department can hardly cope with the new finds.

In many cases a contractor who uncovers an obvious bit of archaeological remains will

simply plough it under rather than go to the trouble of notifying the Department of Antiquities and thereby have to interrupt his construction work for the few weeks that are normally required to assess a new find and, if necessary, conduct an emergency rescue dig to remove artefacts and put them on display in one of the many small but crowded museums throughout the country.

A typical example of the wealth and serendipity of Jordan's archaeology is the discovery five years ago of a series of plastered floors that were uncovered when a bulldozer was breaking ground for a new highway complex at the northern entrance of Amman. The Department of Antiquities did not have the staff to conduct an emergency dig, so the evidence remained untouched and the highway was built as planned.

Intriguing

Earlier this year, however, an international team of resident archaeologists in Amman was put together at last to look into the intriguing indication that those plastered floors that had been revealed five years ago could well be remains of a Neolithic village from around 7000 BC. After six weeks of digging the team's test probes revealed a Neolithic village that is perhaps as much as ten times the size of the famous Jericho site of the same era.

The Ain Ghazal site, as it is called, has already produced solid and extensive evidence of a large Pre-Pottery Neolithic B village complete with stone and mud brick houses, plastered and red painted floors, domestic human burials, stone and bone tools and ornaments, plastered and stone bowls, grinding stones, clay animal figurines and clear evidence of both animal and plant domestication. The Ain Ghazal site could keep scores of archaeologists busy for 50 years, given its size and potential.

The remains already indicate that was an intermediary stage

of human village development between the semi-nomadic hunters of the 10,000 BC Natufian period before the Neolithic and the settled farming communities that developed into villages and then cities in the millennia after the Neolithic Age.

The need to investigate finds such as the village at Ain Ghazal is constantly constrained by the parallel work that has to be done on existing antiquities sites. The extensive systematic study of the site of Jordan has been under way on a serious scale for the past decade or so. In the past three years an average of at least 20 international archaeological teams have been in the country every year to conduct digs or surveys, with Jordanian archaeologists from the Department of Antiquities or the universities of Jordan and Yarmouk doing half as much again on their own.

The result of the last several decades of work gives the visitor to Jordan a wide choice of varied sites to view. The most spectacular is the rock-cut Nabataean capital city at Petra, where research is still going on and will be stimulated further when a research complex is completed next year as part of the upgrading of touristic and archaeological facilities there. Petra is a full day's trip.

The Graeco-Roman city of Jerash, which can be visited easily in half a day from Amman, is also being fully restored while further digging continues. It is among the most complete and best preserved Roman provincial cities in the world. Three other Roman cities that were with Jerash in the ten-city league of Roman cities, called the Decapolis, are in the process of being unearthed in Jordan. They are Umm Qais, Pella and Abila.

The Ommayad desert castles east of Amman and the Byzantine mosaics in and around Madaba are both easy trips from Amman, while inside the capital one should study the Roman amphitheatre downtown and the remains of the citadel on a nearby hill, where the



Above: A Neolithic stone bowl seen in the light of dawn again after 8,000 years at the Ain Ghazal site. Below: Remains of the Ancient Roman city of Pella



small but rich national archaeological museum is located and is very much worth a few hours' visit.

The hundreds of other archaeological sites in Jordan that have been investigated or surveyed indicate that people lived in this land in an unbroken pattern of human settlement spanning the Stone Age, the Natufian, Neolithic and Chalcolithic periods, the Bronze and Iron Ages, the Persian, Hellenistic and Roman periods, and, finally, the Byzantine, Islamic and Ottoman periods. Jordan's strategic

location made it a cross-roads between the dominant civilisations that flourished all around it in Egypt, Palestine, Syria, Mesopotamia and Persia, and therefore the soil of Jordan has served as a repository for the vestiges of many ancient travellers and dwellers in the area.

Many of those people from past centuries or millennia made a living in a manner very similar to that of contemporary Jordanians.

Rami Khouri
Amman Correspondent

Innovation sets the tone for banking system

THE RAPID growth of the Jordanian banking system and its increasingly sophisticated services is expected to continue well into this decade, reflecting the entrepreneurial spirit of private bankers, an activist central bank and a continuing high rate of capital inflow from abroad. Jordan's bankers, having made it through the 1950s and 1960s as the conservative old guard of the economy, have entered the 1980s in the vanguard of economic innovation and growth.

The country's 16 Jordanian Arab and foreign commercial banks are continuing to grow at an annual rate measured by total assets that has averaged 33 per cent a year since 1977. Total deposits reached JD1,054bn (\$3.6bn) by the end of the first quarter of 1982, while total outstanding credits were JD802m (\$2.4bn), of which commerce and construction continued to account for 59 per cent.

The banking system was spurred into innovation in the late 1970s when the financing requirements of local clients started becoming too big for individual banks to handle. A series of investment companies was established to promote the concept of locally syndicated loans and bonds.

Since 1978 banks in Jordan have put together 30 syndicated loans worth of JD75m (\$225m) — a small amount compared to the volume in the Gulf and Euro-markets but a highly significant achievement for a Jordanian market that can henceforth rely on its own capital resources to finance all save the very large multi-million-dollar industrial schemes and infrastructural projects which continue to be financed largely by international soft loans.

Central Bank monetary controls have kept interest rates on loans and bonds within the 10-11 per cent range, thereby making local dinar credits more attractive than Euroloans with their 16-18 per cent a year bracket — not to mention the absence of foreign exchange risk in a dinar syndication. Some of the more conservative banks in Amman have been further spurred to innovation by a new Central Bank of Jordan policy

to rediscount 50 per cent of a bank's share in a local syndication for the life of the loan.

In the latest JD10m (\$30m) syndication being put together for the phosphate company, the Central Bank has agreed to rediscount only 40 per cent of banks' participations — but at one percentage point higher than the normal rediscount rate of 6.5 per cent. "Some loans needed this carrot," Central Bank Governor Dr Mohammad Sa'ad Nabulsi told the Financial Times in Amman last month, "but it shouldn't be taken for granted in all loans."

The success of the three investment banks established in 1979 (Arab Jordan Investment Bank, Jordan Securities Corporation and Arab Finance Corporation-Jordan) has prompted a flurry of new applications for similar institutions so as to get around the Central Bank's ban on issuing any new commercial bank licences.

Licences

In the past year the Central Bank has approved licences for two more investment companies, both of which will be headed by individuals with significant banking and finance experience in Jordan. Ten more licences are pending but are unlikely to be approved for at least two years or until the Central Bank can gauge the capacity of the Jordanian market to absorb more institutions of this kind. Two new Islamic banks have been licensed to operate on the profit-sharing, as opposed to the interest-paying principle.

The other new institutional entry into the banking system is the building society-type company that arranges for contractual savings from individual clients tied into a home purchasing plan. One company that has already started work, REFCO, is doing well and three other licences for similar companies have been approved by the Central Bank. These firms are allowed to take deposits from their clients, while three other similar companies licensed by the Industry Ministry work in the same field but without taking deposits.

Activity on the four-year-old Amman stock exchange continues to increase steadily, re-

fecting both the performance of Jordanian industries and the need of Jordanians to find new investment outlets for the increasing amounts of cash flowing into the country from abroad. The stock exchange registered a total trading volume in 1981 of JD75m (\$225m).

Inflowing capital, including official aid transfers, remittances of Jordanians and Palestinians in the oil states, tourism income and foreign investments seeking the relative safety of Jordan compared with other more turbulent Middle Eastern states, has contributed heavily to the rapid growth of the money supply.

Early this year the total money supply (M2) reached JD1,284bn (\$3.8bn) and is rising at a steady annual rate of around 25 per cent, which the country's economic authorities view as acceptable in view of the inflation rate of over 10 per cent a year and the overall economic growth rate of just under 10 per cent.

The inflationary effects of the rapid money supply growth are partly checked by what has been a deflationary budget during the past three years. Central Bank monetary controls also play a part in averting runaway inflation, aiming to limit credit growth and direct more loans towards productive investments. Controls in force include a credit/deposit ratio of 67.3 per cent, a minimum liquidity ratio of 30 per cent and a capital/deposit ratio of 7-10 per cent, depending on the capital base of the bank. Commercial banks are also compelled to invest 4 per cent of their deposits in government Treasury bills and 6 per cent in local bonds.

The six specialised credit institutions have performed more erratically than the commercial banks. The most successful have been the Housing Bank and the Industrial Development Bank. All six institutions increased their loans outstanding at the end of 1981 to JD195m (\$585m), a rise of some 20 per cent.

Jordan's insurance business also continues to grow briskly. The 22 local and 13 foreign insurance companies collected premiums worth JD18.6m (\$55m) in 1981, a 23 per cent rise over 1980.

R. K.



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JORDAN IV

Farming policy lacks political will

AGRICULTURE HAS always been the problem child of Jordanian development planners and there have been few indications during the past decade that the country has the ability to come to grips with what is still an erratic sector of the economy.

The basic problem is the heavy reliance on annual rainfall for both cereals farming and livestock grazing. Over 90 per cent of agricultural land still relies on rainfall - a reality only slightly tempered by the increased irrigation lands in the Jordan Valley.

Several years of drought in the late 1970s were partly responsible for this decline. An encouraging element has been the willingness of the private sector to invest heavily in modern agricultural techniques. This is most evident in the Jordan Valley, where the Government and 14 international aid agencies are investing a total of nearly \$1.5bn in an integrated development project that will provide pressure-pipe irrigation for more than 30,000 hectares of prime farmland.

The result is that Jordan imports something like two-thirds of all its food requirements. This has led one prominent Jordanian official to comment privately: "If we are not careful one day we will sell our independence for a bushel of wheat."

During the last five-year plan period (1976-80) income from agriculture increased at an annual average rate of 18 per cent, rising (at current prices) from JD 26m to JD 60m. This equals an annual growth rate of 3.7 per cent at 1975 prices.

During the last five-year plan period (1976-80) income from agriculture increased at an annual average rate of 18 per cent, rising (at current prices) from JD 26m to JD 60m. This equals an annual growth rate of 3.7 per cent at 1975 prices.

490,000 are rain-fed and slightly over 38,000 irrigated. During the last plan period 6,400 hectares of newly irrigated lands were brought into production in the valley, with another 2,000 hectares converted from surface to pressure-pipe irrigation.

Strong reliance

The heavy reliance on rainfall maintains the erratic performance of the agriculture sector as a whole. Preliminary figures for the 1981 harvest indicate that Jordan produced just 50,600 tonnes of wheat and 19,200 tonnes of barley, or only about 15 per cent of its requirements.

Two-thirds of agricultural production is accounted for by crops, while one-third is livestock. Local livestock (sheep and goats) provides only a small part of total red meat needs, but substantial investments in poultry farming have put Jordan within reach of self-sufficiency in poultry and eggs during the current 1981-85 plan.

The increased exports of fresh fruit and vegetables from the Jordan Valley have not made any appreciable dent in the large food deficit and are unlikely to do so in the near future, given the rapid increase in food imports.

Fertiliser sector expands

THIS YEAR will go down in history as a landmark in the long slow process of industrialisation in Jordan. There have been two important achievements. The \$450m potash project along the south-eastern shores of the Dead Sea has been completed on schedule and within budget, along with the \$400m chemical fertiliser plant at Aqaba, which this year expects to produce close to 200,000 tonnes of diammonium phosphate, rising to 740,000 tonnes annually when in full production.

The potash project, which will produce 1.2m tonnes of potash a year at full production in the mid-1990s, will exploit the mineral-rich waters of the Dead Sea - nearly 30 years after their economic potential was first identified in the mid-1950s.

should bring in over \$300m in export revenue, thereby making a significant contribution to the balance of payments and helping to offset the heavy trade deficit.

The third large minerals producer, the phosphate company, is in the middle of a continuing expansion programme that now envisages production capacity at about 5m tonnes a year; last year's output was 4.24m tonnes. The Jordan Phosphate Mines Company's major project for a decade is the building of a new mine site at Shidiya, in southern Jordan, to exploit the 600m tonnes of proven high-grade phosphate rock and 400m tonnes of indicated reserves.

The project, now in the feasibility study phase, should produce some 10m tonnes a year at full production, which is projected at the second half of the 1990s.

These three fertiliser-producing projects form the heart of Jordan's industrial aspirations. Other major mineral schemes include the sixth-kiln expansion of the existing Portland cement plant at Fuzh, north-west of Amman, to bring total capacity to 2m tonnes a year; construction of a new 2m tonnes a year Portland cement plant at Rashidiya, in south-west Jordan, at a cost of \$225m as well as a smaller, 100,000 tonne capacity white cement plant north-east of Amman for the Syrian-Jordanian Company for Industry.

Expansion plan

Other developments include expansion of the petroleum refinery at Zerga to a capacity of 4.2m tonnes of crude oil a year; construction of a timber-processing industry at Aqaba and a sheet glass factory at Maan in the south and the possible construction of a new Portland cement plant in the north-east near Araq, to produce 2m tonnes of cement a year for export.

The mining and industry sector of the economy is dominated by these large government-sponsored projects but also contains thousands of smaller privately owned companies producing for the limited local market as well as for export to nearby Arab markets.

Between 1970 and 1982, according to the most recent industry Ministry statistics, the number of companies registered in Jordan grew from 2,305 to 12,439. During the last five-year plan (1976-80) 670 medium and large factories were licensed as well as 2,300 small industries and workshops. Investment in the industrial sector during the last plan totalled JD317m, compared to the projected JD229m. In the new plan for 1981-85 industry and mining are allocated JD759m (\$2,277m) in investments, the single biggest sector allocation in the entire plan.

The aim of the current plan is to increase the contribution of industry and mining to Gross Domestic Product from the 21.5 per cent of 1980 to 29.3 per cent in 1985. During the last plan the industrial sector did not achieve its growth targets because of delays in completing some of the big mineral schemes and constraints on labour and productivity. Nevertheless, between 1976 and 1980 the industrial sector achieved an annual growth rate of 27 per cent, much of it thanks to the initiative of the private sector.

The focus of Jordanian industrialists and government planners will shift in the coming years from the large mineral-based projects now almost completed to more medium-sized processing and manufacturing industries geared to nearby Arab markets and based increasingly on locally available raw materials.

PLANNED DISTRIBUTION OF INVESTMENT 1981-85 (JDm)

Table showing planned distribution of investment for 1981-85 across various sectors like Agricultural and co-operatives, Water and irrigation, Manufacturing and mining, etc.

7.5 per cent. By 1985 agriculture's share of GDP is projected to decrease to 7.2 per cent. One of the unresolved problems facing agricultural development throughout the rain-fed areas is the fragmentation of farmland into relatively small plots.

Rami Khouri

THE CAIRO AMMAN BANK

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STATEMENT OF POSITION, DECEMBER 31 1981. Table showing ASSETS (Cash & Banks, Investments, Loans & Discounts, etc.) and LIABILITIES (Deposits, Other Liabilities, Capital, etc.) in US\$.

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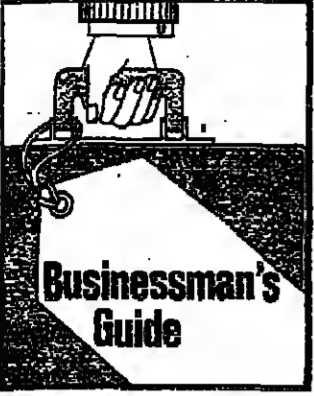
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HOTELS - AMMAN

Table listing hotels in Amman with columns for Rating, Telephone, and Telex. Includes Jordan Intercontinental, Regency Palace, Holiday Inn, etc.

International direct dial system comes into operation towards the end of 1982. Now, however, international calls have to go through the operator and you may at times have to be patient...

There are good restaurants in Amman offering less expensive French, Chinese, Italian, Indian and traditional Arab delicacies. The cuisine in each case of course varies, but most restaurants have a mixed menu that includes both Arabic and international dishes.

Business contacts

British Embassy, P.O. Box 87. Tel: 41261. Third Circle, Amman. Embassy of the Hashemite Kingdom of Jordan, 6 Upper Phillimore Gardens, London W8 7HE. Tel: 01-937 3685. Telex: 919338.

Doing business

Except for the month of Ramadan, when most of the Muslim population of the country fast from dawn till sunset (and therefore work becomes slower as working hours shrink), business in Jordan can be done equally well in any month of the year.

Ramadan in 1983 will fall approximately between June 6 and July 6, and the year after approximately two weeks earlier and so on (no drinks may be served during this month except in four- and five-star hotel rooms and night entertainment is almost non-existent).

Usual working hours for government departments are from 8.30 am to 2.30 pm, for most banks from 8.30 am to 12.30 pm, and for the private sector from 9 am to 5 pm except on Thursdays when work is only half a day.

If you have a representative or an agent in Jordan, you can do business faster and more promptly, especially if he has good contacts and knows government regulations which touch upon almost all business transactions in the country.

In case of sales to the public sector, the use of an agent is often mandatory.

Airlines

Most international airlines keep offices in Amman and have frequent scheduled flights in and out of the city. However, the most dominant role in air travel is played by the Royal Jordanian Airline, Alia, which has its subsidiary executive jet service Arab Wings. The jet service operates shuttles for

businessmen and officials upon request from Amman to anywhere in the Middle East and vice versa.

Taxis

There is no shortage of taxis in Jordan nor are their fares high. Drives within the city rarely exceed JD 1.0. All taxis in Amman should have fare meters, and drivers appreciate a 10-20 per cent tip. A taxi service operates out of Amman Alport day and night for a special charge, JD 2, controlled by a government office located at the airport.

If you wish to hire a car during your stay here, there are many rent-a-car agencies in Amman. Hire cost per day ranges between JD 9 plus 85 fils for each kilometre plus JD 2.5 insurance for a new model Mercedes and JD 6 plus 60 fils for each kilometre plus JD 2.5 insurance for the smaller, more economic Toyota.

Car-hire Agents Tyche: Tel: 41350. Telex: 21363. Ennepare: Tel: 43901/39197. Telex: 21410. Tyche: Tel: 25700. Telex: 21771. Joraci: Tel: 44938. Telex: 21502. (branch at Aqaba)

Currency

One Jordanian Dinar (abbreviated JD) is equal to 1,000 fils and worth about \$2.00 and £1.50. International currencies could be easily exchanged in Jordan at banks or money exchangers throughout the country. There are virtually no restrictions on the amount of money exchanged or currencies carried

HOTELS - AQABA

Table listing hotels in Aqaba with columns for Rating, Telephone, and Telex. Includes Holiday Inn, Coral Beach, Miramar, Al Caesar.

Clustered in the more fashionable area of western Amman are most of the city's four- and five-star hotels. Three of the six five-star hotels (Amman Marriott, Amman Crown and Jerusalem International, Meila) have only been in operation a year but are now in full swing.

Four-star rated hotels are smaller, and, by definition, have fewer facilities. But they too offer good service and most provide a comfortable stay in Amman.

Room rates for the four-star hotels range from JD 15 for a single to JD 20 for a double room.

The most elegant restaurants in Amman are those on the rooftops of the big hotels, where a three-course meal excluding drinks will be offered at about JD 15 per person. Cost of an imported bottle of wine is on average JD 7; local wine costs less and

by visitors, but it is recommended that exchange transactions be made in Jordan rather than abroad simply because the dollar and the pound sterling, for instance, are better known and more used here than the JD in the United States or the UK respectively. Travellers cheques issued by UK banks are accepted in Jordan.

Banks

Jordan-Kuwait Bank; Jordan-Gulf Bank; Arab Bank; Bank of Jordan; Petra Bank; Cizro-Amman Bank; Housing Bank; Jordan National Bank and The Housing Bank.

Foreign banks

Citibank; Chase Manhattan; Grindlays; British Bank of the Middle East; Rafidain (Iraq); Arab Land (Egyptian); Bank Al Mashreq; Bank of Credit and Commerce International; Opening hours from 8.30 am to 12.30 pm.

Housing and Petra banks open for customers in the afternoons from 3.00 to 4.30 pm. All banks close on Fridays.

Telephone and Telex

Communications between Jordan and the outside world will be much improved when the international direct dial system comes into operation towards the end of 1982.

Study group for transport needs

THE LAST few years have seen a large increase in the amount of freight and passengers moving through Jordan, and a comprehensive construction programme is busy extending transport networks to catch up with demand.

The big question hangs over long-term development, however, is whether the transportation boom is here to stay or whether it is a temporary phenomenon resulting from the Gulf War.

The tough task of answering that question falls to a consultancy group comprising Hughes Economic Planning of the UK with Dorsch Consult and Deutsche Eisenbahn from West Germany. The group was appointed at the end of March to analyse traffic flow and freight destinations, examine road, rail, sea and air facilities, and assess management.

Guidelines

Their interim report, to be submitted to the Ministry of Transport in September, will come up with some important policy guidelines. The government intends to invest JD 545.5m in transport under the current 1981-85 plan, but priorities and allocations will be adjusted in the light of the consultants' recommendations.

and exports. Some 600 km of primary and secondary roads and 550 km of rural roads were built and construction continued on the new Queen Alia international airport under the revised and expanded 1976 master plan. The existing commercial port, which handles general cargo, will get three new freight berths and related warehouses, while new export terminals for potash, fertilisers and phosphate are under way or planned.

Even before the Gulf war, congestion in Iraqi ports led to through Aqaba, but the real boom has come as a direct result of the war and Iraq's substantial loss of sea access. In 1978 less than 10 per cent of Aqaba's incoming general cargo was in transit. In 1981 this had risen to 80 per cent of 3.8m out of a total 6m tonnes, and this year transit cargo is expected to make up 6m out of a total 8m tonnes. In each case, the transit cargo is almost wholly bound for Iraq.

It is too early to say whether—as and when the Gulf situation returns to normal—Aqaba will handle cargo for a wider range of destinations. Certainly some planners feel that the long-term value of the new facilities will be for Jordan's own imports and exports, though Aqaba could then find itself with excess capacity.

Freight destined for Iraq is sent from Aqaba by truck, and as a result Jordan's roads have taken a heavy pounding over the last couple of years. The existing desert highway connecting the port with Amman has been literally breaking up under a daily onslaught of around 2,000 vehicles each way, mostly lorries weighing up to 80 tonnes laden.

Plans to improve road links between Aqaba and the Iraqi border date back to the late 70s. The current construction programme focuses on a JD 30m four-lane road running alongside the existing desert highway from Amman to Ma'an, a distance of 190 km, due for completion in 1984. The present 120 km road connecting Ma'an with Aqaba will be upgraded into a four-lane highway at a cost of JD 16m, although as this section has not yet been designed, the 1984 cost estimate may prove to be on the low side.

Highway

From Amman, a JD 9.5m two-lane road will run 87 km eastwards to Aqaba, bringing tourist traffic to the desert castles as well as freight for Iraq. The final link to the Iraqi border will be made by upgrading the existing 180 km two-lane road. The entire project, funded by an Iraqi soft loan, will leave Jordan with an excellent highway, whatever the future of transit trade to Iraq.

A four-lane highway from Amman through Irbid to the Syrian border is also to be built over the next few years at a cost of around JD 20m, and will serve the Jordan-Syria free zone as well as improving communications with Damascus. Economic co-operation, this project is apparently unaffected by the two countries' somewhat strained relations.

Not in the current 1981-1985 plan but pencilled in for the future is a new highway from Ma'an into Saudi Arabia, connecting with the road to Damascus. This could be an important pointer to future thinking: northwards from Ma'an a four-lane highway would, by then, stretch all the way to Syria, connecting with routes through Turkey into Europe. According to at least one Ministry of Transport source, long-haul overland traffic from Europe to Saudi Arabia and the Gulf could constitute Jordan's most important future source of transit revenue.

There has also been some renewal of interest in a Europe-Arabia rail link, a concept dating back more than half a century. The original narrow-gauge Hejaz railway linking Medina with Damascus was largely destroyed during the 1917-18 Arab campaign against the Turks, though some sections survive. To form part of any modern transcontinental system, the entire line would have to be replaced with standard-gauge track. Although a 1981 study reckoned this would be uneconomic, the proposal has been suspended rather than totally abandoned.

Work is almost complete on the JD 84m Queen Alia airport, which is expected to be opera-

tional early next year. Consultancy and supervision is by the UK's Sir Frederick Snow International in partnership with Dar al-Handasah of Lebanon, and the main contractor is Laid of the UK in partnership with local firm General Enterprises Company Limited. The twin-terminal airport with two parallel 3,650-metre runways was designed to handle an annual 2.5m passengers and 66,000 tonnes of cargo—the projected figures for 1985.

Events have caught up with projections, however, and something near this volume of traffic is already passing through the overstretched facilities of Amman Airport. This is in part a result of the Gulf war, as several airlines have stopped flying to Baghdad, while Alia, the Royal Jordanian Airlines, continue with twice-daily flights connecting in Amman. There is talk that plans for major expansion of Queen Alia airport by the year 2000 may be put into effect straight away, but many observers feel this would be an over-hasty response to special circumstances.

Margi Bryant

Who's Who in the Middle East? Advertisement featuring various logos and text.

The British Bank of the Middle East knows what's what. Advertisement for British Bank of the Middle East with a stack of books listing regional branches like Saudi Arabia, Qatar, United Arab Emirates, etc.

Jordan Securities Corporation. Financial institution offering a full range of investment banking services in Jordan. Includes shareholding info and contact details.

Wimpey in Jordan: a continuing contribution. Advertisement for Wimpey International Ltd. highlighting projects like Amman Cultural Centre, Dead Sea Potash Complex, Aqaba Berthing, and Aqaba Potash Terminal.

Companies and Markets

WORLD STOCK MARKETS

Early Wall St technical rally

NEW YORK

Table of stock prices for various companies in New York, including columns for stock names and prices.

Table showing indices for the Dow Jones and S&P 500, with columns for index values and changes.

Table titled 'STANDARD AND POOR' showing stock prices for various companies.

Table titled 'NEW YORK COMMON' showing stock prices for companies listed on the New York Stock Exchange.

Table titled 'NEW YORK STOCKS' showing various stock indices and company prices.

A TECHNICAL rally managed to be sustained on Wall Street yesterday morning in moderate activity...

The Dow Jones Industrial Average, which closed on Wednesday at its lowest point for about 28 months...

The Hang Seng index closed yesterday at 2,524.2 on a balance of 100 points...

Market recovery would probably wait for some positive signs that the recession is easing.

The market was higher because the "downside pressures had eased"...

Markets in Canada also mounted a mild rally in light early trading...

With the yen after its recent weakness, looking a little firmer...

against the U.S. dollar yesterday. The Tokyo stock market showed signs of stabilizing...

The Nikkei-Dow Jones Average, which had plummeted 328 points over the past seven business days...

The market was favourably viewed by the Bank of Japan's attempt to prop up the yen...

Some traders, however, cautioned against undue optimism.

The better tone for the yen aided oil shares...

After the sidler showing of the last two days, stocks tended to revert to their recent earlier course...

Germany

Under the negative influence of a strong U.S. dollar, Bonn prices were mixed...

The three major West German Banks recorded 1961 losses...

The stagnation of the real estate market was largely due to the Japanese currency...

Heavyweight gains ranged to 325 cents, as in Harries at 58.75...

Australia

After the sidler showing of the last two days, stocks tended to revert to their recent earlier course...

Computer Makers and Communications closed lower...

Computer Makers and Communications closed lower...

Computer Makers and Communications closed lower...

CANADA

Table of Canadian stock prices for companies like AMCA Int'l, Alcan, and Alcan Alum.

Table of Canadian stock prices for companies like Bell Canada, Canadian Nat, and CNA.

Table of Canadian stock prices for companies like Canadian Nat, CNA, and Imperial Oil.

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Table of Canadian stock prices for companies like Canadian Nat, CNA, and Imperial Oil.

FRANCE

Table of French stock prices for companies like CEA, CFP, and CEF.

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Notes: Prices on this page are based on the closing of the market as of the date indicated. All figures are in local currency unless otherwise stated.

Vertical text on the far left margin, including 'U.S. S', 'Fu', 'Wi', 'BY PAU', 'The U.S.', 'investive', 'series', 'final', 'of', 'impedist', 'foreign', 'U.S. duties', 'Counte', 'aim is to', 'allegedly', 'govvern', 'contamin', 'Anti-d', 'charges', 'steel is', 'its prod', 'price', 'markets', 'in the', 'in the', 'in the', 'planning', 'practice', 'supplier', 'These pol', 'investive', 'ment a', 'national', 'to exam', 'The inves', 'a preli', 'imported', 'ment of', 'counter', 'to p', 'and will', 'minatio', 'Again, its', 'prelimi', 'import', 'with a', 'due on', 'In the w', 'Heparit', 'findings', 'nationa', 'where', 'where', 'The Assum', 'Signify d', 'tech', 'Unit's fir', 'inevital', 'possib', 'ities', 'ut', 'e', 'g

EQUITIES

Table of recent issues with columns for issue price, amount, and stock details.

FIXED INTEREST STOCKS

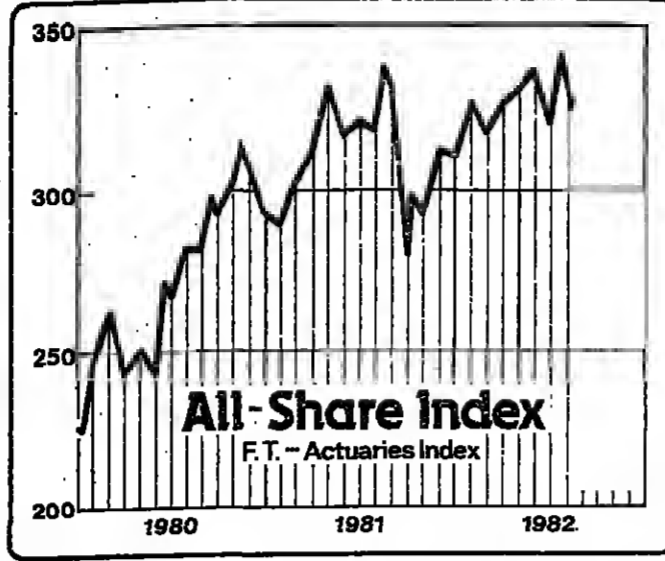
Table of fixed interest stocks with columns for issue price, amount, and stock details.

"RIGHTS" OFFERS

Table of rights offers with columns for issue price, amount, and stock details.

Continued optimism about further base rate cuts lifts Government Securities index to 3-year high

Main article text discussing market optimism and government securities index performance.



Text accompanying the graph, providing context for the index movements.

Continuation of the main article text, discussing market conditions and analyst views.

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices with columns for date, index value, and year-to-date change.

HIGHS AND LOWS

Table showing high and low values for various stock indices.

Stores quietly firm

Text discussing the performance of retail stores and market conditions.

Johnson Cleaners down

Text discussing Johnson Cleaners' performance and market reaction.

ACTIVE STOCKS

Table of active stocks with columns for stock name, price, and change.

FT-ACTUARIES SHARE INDICES

Text explaining the FT-Actuaries Share Indices.

Table of FT-Actuaries Share Indices with columns for group name, index value, and change.

NEW HIGHS AND LOWS FOR 1982

Table of new highs and lows for 1982 with columns for company name and price.

WORLD VALUE OF THE DOLLAR

Text explaining the world value of the dollar table.

Table showing the world value of the dollar with columns for country, currency, and value.

FIXED INTEREST

Table of fixed interest rates with columns for instrument type and rate.

RISES AND FALLS YESTERDAY

Table of rises and falls yesterday with columns for instrument type and price change.

Footnote containing various disclaimers and contact information for the Financial Times.

CURRENCIES AND MONEY

Dollar eases

The dollar was easier in currency markets yesterday in generally dull and featureless trading. However, downward pressure increased late in the day after the U.S. Federal Reserve acted in aid of liquidity in the U.S. money market.

THE POUND SPOT AND FORWARD

Table showing exchange rates for the Pound Spot and Forward, including columns for Date, Class, One month, and Three months.

THE DOLLAR SPOT AND FORWARD

Table showing exchange rates for the Dollar Spot and Forward, including columns for Date, Class, One month, and Three months.

STERLING

STERLING - Trade-weighted index 90.0 against 90.5 at noon, 20.9 at the opening and 90.8 on Wednesday (91.6 six months ago).

CURRENCY MOVEMENTS

Table showing currency movements for various countries like UK, Ireland, Canada, etc., with columns for Date, Class, One month, and Three months.

OTHER CURRENCIES

Table showing exchange rates for other currencies including Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries like Belgium, Denmark, Germany, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies including Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 12)

Table showing FT London Interbank Fixing rates for 3 months and 6 months U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies and terms like Short term, 7 days, 1 month, etc.

MONEY MARKETS

London rates little changed

UK clearing bank base lending rate 11 1/2 per cent (since July 30 or August 2 and 3). UK interest rates were hardly changed yesterday in rather dull trading.

EUROCURRENCIES

Eurodollars quiet

There was a pause for breath in Eurocurrency markets yesterday after the recent sharp increase. Eurodollar rates showed little overall change in rather cautious trading.

MONEY RATES

Table showing money rates for New York, Germany, and Japan, including prime rates, Treasury bills, and discount rates.

LONDON MONEY RATES

Table showing London money rates for Sterling, Eurodollars, and other currencies, including overnight, 7 days, and 1 month rates.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large section containing numerous tables and lists of authorized trusts, fund managers, and investment services, including Abbey Unit Tr. Mgmt., Abbey Unit Tr. Mgmt., and various international trust companies.

July 1982

INSURANCES

Table of insurance companies including Abbey Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others, listing various fund types and their performance metrics.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table of insurance and overseas managed funds, organized by company (e.g., Abbey Life Assurance Co., Norwich Union Insurance Group, Standard Life Assurance Company, etc.) with columns for fund names, types, and values.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, listing various international investment options and their details.

Vertical text on the right edge of the page, possibly a page number or reference.

NOTES: A section at the bottom right providing additional information or disclaimers regarding the fund data.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

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LOANS—Continued. Table with columns: High, Low, Stock, Price, Change, Yield, Bid. Includes sub-sections for Financial and Building Societies.

BANKS & H.P.—Cont. Table with columns: High, Low, Stock, Price, Change, Yield, Bid. Includes sub-sections for Financial and Building Societies.

CHEMICALS, PLASTICS—Cont. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ELECTRICALS—Continued. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

FOREIGN BONDS & RAILS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

AMERICANS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

Hire Purchase, etc. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

BEERS, WINES AND SPIRITS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

BUILDING INDUSTRY, TIMBER AND ROADS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

DRAPERY AND STORES. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ELECTRICALS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ELECTRICALS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ENGINEERING MACHINE TOOLS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ENGINEERING MACHINE TOOLS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

ENGINEERING MACHINE TOOLS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

FOOD, GROCERIES—Cont. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

HOTELS AND CATERERS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

INDUSTRIALS (Misc.). Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

INDUSTRIALS (Misc.). Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

INDUSTRIALS (Misc.). Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

INT. BANK AND O'EAES GOVT. STERLING ISSUES. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

CORPORATION LOANS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

COMMONWEALTH AND AFRICAN LOANS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

LOANS. Public Board and Ind. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

CANADIANS. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

BANKS AND HIRE PURCHASE. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

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FOOD, GROCERIES, ETC. Table with columns: High, Low, Stock, Price, Change, Yield, Bid.

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Now read the FT at your leisure. An advertisement for the Financial Times newspaper, featuring a stylized 'FT' logo and the text 'You don't have to worry about what is happening in the world when you are on holiday as the Financial Times is on sale in holiday resorts throughout Europe...'

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various engineering firms. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure-related stocks such as British Airways, British Telecom, and various media companies.

PROPERTY—Continued

Table of property and real estate stocks including various investment trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British American Investment Trust, British Overseas Investment Trust, etc.

OIL AND GAS—Continued

Table of oil and gas stocks including BP, Shell, and various independent oil companies.

MINES—Continued

Table of mining stocks categorized by region: Central African, Australian, and Miscellaneous. Includes companies like Anglo American, De Beers, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including sub-sections for Motors and Cycles, Commercial Vehicles, and Components.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways, etc.

SHOES AND LEATHER

Table of shoes and leather goods stocks.

SOUTH AFRICA

Table of South African stocks.

TEXTILES

Table of textile stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks.

TOBACCO

Table of tobacco stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land investment stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other investment stocks.

OIL AND GAS

Table of oil and gas stocks.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks.

OPTIONS 3-month Call Rates

Table of options and 3-month call rates.

INSURANCES

Table of insurance stocks.

LEISURE

Table of leisure stocks.

LEISURE

Table of leisure stocks.

CLASH FEARED OVER LABOUR LAWS AS MARSH STANDS FIRM

Fleet St set for court fight

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LORD MARSH, chairman of the Newspaper Publishers' Association, refused yesterday to draw back from pressing contempt of court charges arising from the strike by Fleet Street electricians in support of health workers.

With their strike and halted the printing in London of Wednesday's papers. There were suggestions last night that Mr Geraghty might how to strong backroom pressure from the TUC and health service unions and may be prepared to apologise to the court today and pay any necessary fine.

He said on BBC radio the NPA could not withdraw the action for contempt, since that would "make a mockery" of its stance. Lord Marsh said he did not want Mr Geraghty to be jailed. "But if he goes to prison it will be because he wants to go to prison," he said.

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Accounting committee signs up new team

By Duncan Campbell-Smith

TWENTY fresh appointments to a remodelled version of the Accounting Standards Committee were announced yesterday.

The team under Mr Ian Hay Davison, committee chairman since July, marks a significant break with tradition by including non-accountants from various sectors as well as practising members of the profession.

The six member bodies of the accounting profession have nominated a committee which has three members fewer than its predecessor and a three-year mandate.

Mr Davison said he thought the committee's impact could be electric as it set about its duties with a "lot more authority than previous committees." It represented an appropriate range of users, preparers and auditors of company accounts drawing on "people of standing and authority in the worlds in which they work."

Those appointed include Mr Jeffrey Bowman, senior partner of accountants Pricewaterhouse; Mr Derek Fowler, vice chairman of British Rail; Mr Ronald Artus, chief investment manager of Prudential Corporation; Mr Derek Palmer, chief executive of Bass; Mr John Quinton, general manager of Barclays Bank; and Mr Kenneth Sharp, head of the government accountancy service.

The other members of the committee will be Mr Ian Anderson, senior technical partner, Thomson McLintock; Mr Brian Boreham, partner, Wilson Wright; Mr Donald Heady, partner, Donald Heady; Mr Alex Spain, managing partner, Stokes Kennedy Crowley; Mr Chris Strunge, partner in charge of the London practice office, Deloitte Haskins and Sells; Mr John Clemes, finance director, Allied Lyons; Mr Colin Joyce, finance director, Baker Perkins Holdings; Mr James McKinnon, finance director, Imperial Group; Mr Stanley Thomson, finance director, Ford; Mr Jeffrey Knight, chief executive, Stock Exchange; Mr Michael Mallett, director, James Neill Holdings; Mr Brian Tanner, county treasurer, Somerset County Council; and Prof Michael Bromwich, professor of finance and accounting, University of Reading.

They will meet once a month, with a sub-committee to review the committee's priorities and fix the agenda. This itself, says Mr Davison, will generally require "a proper political decision."

Weather

UK TODAY

RATHER cloudy with showers. London, S.E., E. Central and N. England Occasional rain, bright intervals, windy, rather cool. Max 19C (66F).

Rest of UK Cloudy with showers and bright periods. Cool. Max 16C (61F).

Outlook: Unsettled with rain in most parts.

WORLDWIDE

Table with columns: City, Y'day, Midday, F, C, Y'day, Midday, F, C. Lists weather for various cities like Ajaccio, Algiers, Amsterdam, etc.

THE LEX COLUMN

A typhoon in Hong Kong

Index fell 2.5 to 5449

The first requirement for any international investor in the Hong Kong market is a strong stomach, and the last fortnight has produced a severe constitutional test.

Unlike the 1972-74 collapse and the run last autumn, when Hong Kong was reflecting in extreme form a worldwide phenomenon, this latest drop is more parochial. Concern about China's post-1987 intentions, mounting through the summer, has come to a head with Monday's Bank of China deal.

The economic background in the last month has given little cause for confidence. Retail sales have been tumbling, trade growth is falling away, and official estimates of 8 per cent annual GDP growth earlier this year look likely to be chopped further below the present level of 6 per cent.

So now is clearly not the time to jump in. On the other hand, when confidence returns,

Ultrasaur wanted to pull off the kind of deal which LASMO announced on Tuesday.

The Canadian picture will look no brighter in the second half and, with no mainstream corporation tax liability against which to offset its ACTI, Ultrasaur may take a cautious line with its final dividend.

Smith Bros.

Smith Brothers has recouped the losses of Black September in its second half, to end the year all square at the pre-tax level. Slack equity volume and dull South African gold shares mean that it has not seen the flip enjoyed by some of its rivals involved in the healthy gilt-edged market.

Ultrasaur

Ultrasaur is roughly holding its own despite the sharp fall in refining margins—and stock profits for the six months to June have fallen only 6.5 per cent to £25.9m and in current cost terms they are marginally higher.

But Ultrasaur is still hungry for cash. A lower charge for deferred taxation in Canada has helped to push the tax rate down to only 41.5 per cent in the second quarter, but the charge is likely to mount again later in the year.

BOC Group

BOC is being untypically coy about the whereabouts of its 1981-year profits but, with the expected nine-month surplus exceeding 12 per cent to £7.2m pre-tax, they seem likely to end up just above the £100m level.

The third quarter to June shows an improvement of about five per cent pre-tax, after adjusting for currencies, overwhelmingly because of the continuing decline in UK unit costs.

Productivity should improve by about 10 per cent in real terms this year, with little help from volume. The demand position in the U.S. is even more depressed, although nitrogen and oxygen volumes are still growing despite the recession.

After full replacement cost depreciation, finance charges are currently consuming almost half of trading profits. The shares have fallen 5 per cent to 163p over the past week, nudging the yield over 5 per cent on the modest assumption that the final dividend is lifted in line with the interim.

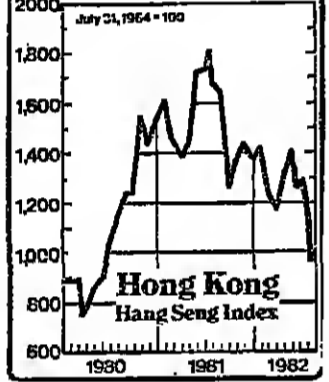
Hong Kong stock value drops by nearly 10%

By Robert Cottrell in Hong Kong

HONG KONG stock market values plunged almost 10 per cent yesterday and the Hang Seng index lost 100.31 points on the day to close at 966.36.

The index, now at its lowest levels in two years, has lost more than 200 points so far this week, extending its decline since early July to more than 300 points.

Investor worries about the long-term future of Hong Kong have been compounded



by declines on Wall Street and weakness in the Hong Kong dollar.

The market has also been profoundly disturbed by a lead deal announced on Monday whereby the Peking-owned Bank of China is to acquire for the Government for HK\$1bn (£96m) a new headquarters site on soft-loan terms at what local property analysts believe to be a substantial discount from the site's market value.

Yesterday's stock market decline came in heavy trading—HK\$333m—against a daily average for the first half of this year of just over HK\$200m. It saw institutions coming to the fore as sellers, joining the small investors who have led the selling in recent weeks.

Every firm of jobbers, which wholesale stocks and shares for brokers under London's single capacity dealing system, felt the pinch of what has been dubbed "Black Monday" in City lore when, at the end of last September, the FT 30 share index

TUC unions urged to pledge £1.25m for 'alternative' bank

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS of Britain's three largest unions are asking all TUC-affiliated unions for a total of £1.25m as their initial capital investment in a joint banking institution over which the unions would have considerable control.

The request marks the start of the unions' final push towards their goal of a trade union bank. It was signed by Mr Moss Evans, general secretary of the Transport and General Workers' Union, Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers, and Mr David Bassett, general secretary of the General and Municipal Workers' Union.

The letter asks unions to pledge an investment by September 30. The organisers hope to be able to tell the TUC Congress in Brighton next month of the response from the unions, and hope to put formal offers later this year to sell shares as required by law.

The letter, addressed from the offices of the GMWU, says: "The proposed company would channel union, and union members' capital to the appropriate money markets. The aim would be to create profits by offering efficient banking services for the benefit of the people."

The bank's immediate objective would be to provide deposit services for participating unions; the investment of funds on the money market; and short or medium-term pension fund management facilities.

Deposit services would be available to individual trade unionists, and medium-term lending facilities would be available to participating unions.

"In due course, a full range of services would be developed, including house mortgages, insurances, unit trusts, bond issues, savings schemes, etc," says the document.

The organisers accept that the bank must be able at first to attract substantial long-term investment and corporate investment and, in due course, pension funds money. The servicing of such funds would be of major importance in generating confidence and supporting a range of economic projects.

The long-term intention is that the institution would attain full banking status, as defined by the Banking Act 1979. The letter says: "Ultimately, the company could provide a real alternative in the financial world to the present predominant, private banking sector, and could gradually act as a counterweight within the British economy."

The Co-operative Bank—long the major banking facility for the Labour movement—welcomes the step to establish in Britain an idea which is well-grounded elsewhere, particularly in West Germany by the Bank für Gemeinwirtschaft and in Israel by Bank Hapoalim.

The Co-op Bank believes the new institution would reach sectors of the population which have no access to the banking system. It feels the bank's proposed activities would be beyond either the Co-op Bank or the unions individually.

The letter stresses "the importance of the worker within the structure of the proposed company." The advisory committee—the unions' main instrument in exerting control over the venture—would be drawn mainly from union ranks, although it is expected to include a Bank of England representative.

Smith Brothers announces loss

BY RAY MAUGHAN

SMITH BROTHERS, one of the leading jobbers on the London stock market, declared a loss of £24,000 in the 12 months to April 29 against a record profit of £1.9m the previous year. The turnaround reflects Smith's inability to repair all the damage inflicted by last September's collapse in share prices.

Every firm of jobbers, which wholesale stocks and shares for brokers under London's single capacity dealing system, felt the pinch of what has been dubbed "Black Monday" in City lore when, at the end of last September, the FT 30 share index

dropped 17.2 to 457.5. Most have been able to recover, however, during the winter and spring.

Biggood Bishop produced pre-tax profits of £767,000 against £596,000 over exactly the same period as Smith's plummeted from £1.9m to £1.2m. The 73 per cent bond, which matures in 1990, was issued in 1975 through a Luxembourg subsidiary and guaranteed by the West German parent company.

Credit Suisse, the lead manager, said last night the next interest payment on the bond would be due in October.

firm's chairman, explained that "the strong contribution in past years from the international section was lacking owing to the prolonged bear market in gold shares and Australian stocks."

Smith does not job in gilt-edged securities and has thus not enjoyed the active trading in Government stocks this year. The chairman said the year's results would have been better "had interest rates fallen as hoped." As it was "out turn-over was down by approximately £400m to £3bn which illustrates the dependency of a jobber on a satisfactory level of trade."

Details, Page 16

Continued from Page 1

AEG aid request

capital goods business emerged yesterday as one other factor behind the bankers' doubts.

The substantial divergence of interests of the banks from country to country and the differing survival prospects of AEG's many foreign subsidiaries have apparently ruled out any move to put together a foreign bank consortium.

The lack of a consortium inhibited yesterday's discussions. AEG is likely to have to continue to deal with its foreign banks on an individual basis for the foreseeable future, a con-

siderable drain on management time and resources.

Alan Friedman adds: A SWF 90m bond for AEG-Telefunken was withdrawn from trading in Zurich yesterday after its price plummeted from SWF 65 to SWF 44. The 73 per cent bond, which matures in 1990, was issued in 1975 through a Luxembourg subsidiary and guaranteed by the West German parent company.

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Continued from Page 1

Tax

The Treasury has resisted industry pressure for a fundamental change in the structure and rate of taxation although the UK Offshore Operators Association is discussing with officials amendments that might be introduced in the Budget next spring.

The committee supported the industry's view that the tax system could discourage companies from producing the maximum amount of oil from existing fields.

Perkins Continued from Page 1

facturers except Chrysler. Perkins has 2,000 dealers and distributors in 160 countries.

Another \$55m in financing has been arranged through loans and loan guarantees provided by the Canadian federal and Ontario provincial governments.

The main asset being transferred to the joint venture is Chrysler's Windsor engine plant and its equipment, with annual capacity to manufacture about 225,000 six-cylinder petrol engines of 225 cubic inch displacement. The venture is scheduled to start production late in 1984 of four-cylinder and six-cylinder turbo-charged diesels. About 1,000 people will be employed.

Perkins makes 41 per cent of its diesel engines in Britain, of which more than 80 per cent are exported, either directly or installed in vehicles. Because of

depressed sales for two years, 800 of the 7,000 jobs at the company's Peterborough plants have been lost.

Mr Felker denied that the venture with Chrysler, which will create the first light diesel plant in Canada, reflected a policy to shift the company's production out of the UK.

"We are getting into a market we could not get into at Peterborough. We do not have the basic engine design, so we would have to do it from the start, which would be very tough. Also, Chrysler is going to have a big offset—I would think a majority of the engine."

He said Perkins makes only one light, high-speed diesel, a 1.7 litre model.

any negative impact on Perkins' current exports from Britain to North America, which represent about a quarter of the company's total sales of some £300m per year.

On the contrary, he hoped that the development of light, high speed diesels would make Perkins more attractive to North American customers and have some "pull through" effect on sales of UK-made engines.

Perkins first tried to establish a North American manufacturing presence in 1975 when it bought an engine plant in Canton, Ohio, from White Motor. Production was halted in the autumn of 1979 because demand for the models made there—used mainly to power farm and industrial equipment—had not kept pace with demand for Perkins' other models.

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